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Value Creation and Value Capture in Non-Profit Partnerships

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VALUE CREATION AND VALUE CAPTURE IN NON-PROFIT PARTNERSHIPS

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ABSTRACT

VALUE CREATION AND VALUE CAPTURE IN NON-PROFIT PARTNERSHIPS

Beth A. Birmingham

The purpose of this research is to study how non-profit organizations create value from partnerships, specifically, partnerships between academic institutions and international non-governmental organizations (NGOs). Apart from the goals of the partnership per se, how do they create long term value for their respective organizations in what they do together? How do they capture value for their individual organizations separate from the partnership outcomes? Educational partnerships between academic institutions and other sectors have become common and somewhat necessary in the past decade. The NGOs examined in this study benefited from partnership with an academic institution in the areas of staff development and organizational capacity building. The universities in this study benefited from direct involvement with practitioners in the sectors of their degree programs and research interests.

This study is a longitudinal, multiple case study that examines the theoretical concept of value creation as relevant to these NGO and University partnerships. Three different partnerships were analyzed using primarily qualitative data from semi-structured interviewing at two different points in time, field notes and partnership document review. The participants were designers and managers of their organizational partnerships. Qualitative thematic analysis was used as a tool to examine the interview transcripts.

The primary themes that emerge across the partnership cases revolve around (a) partnership design; (b) value in partnering -- how it is created, captured and assessed; and (c) relationship management.

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CHAPTER 1: OVERVIEW OF THE STUDY

Education is a major key to the alleviation of poverty and the development of people and organizations and can turn the tide of the negative socioeconomic experiences of developing countries. Relief and development non-governmental organizations (NGOs) play a significant role in developing countries where poverty abounds but social services are non-existent. The purpose of this research is to understand the dynamics of university-NGO partnerships and how they can create value for the organizations involved.

The motivation for this research is rooted in my personal experience in forming and managing capacity building partnerships between the university at which I work and other organizations, both universities in other countries and international NGOs. For this research, I define partnership as a relationship between two or more organizations that is characterized by mutual cooperation and responsibility for the achievement of a specified goal. I define capacity building as the process of developing skills and knowledge in an organization's staff to better address the needs of the organization and increase effectiveness in their work. Non-governmental organizations benefit from a variety of forms of capacity building including internal technical training, management development and evaluative research of their processes. Universities can aid NGOs in their capacity building needs by providing a framework for both technical and management training, rewarding completion and application of new knowledge and skills learned through an accredited certificate or degree, and expertise in research which examines how effective an NGO is in any operational area.

What I have found through experience is that partnerships in general garner a great deal of enthusiasm in the early stages but also require a significant amount of time of the senior leadership team and organizational resources. After the initial launch phase, however, momentum often diminishes as reality begins to conflict with original expectations. The costs of starting a partnership related to traveling to the partnership meetings, designing the contract, and orienting and training the staff that will be involved, not to mention the opportunity cost of these efforts, can be significant. Due to the often financially tight conditions of non-profit organizations and the resources it takes to engage in partnerships, conflict may be exacerbated by tension over funds. The financial strain may be only one of the challenges in the relationship, but financial problems tend to magnify other problems. Partnering organizations tend to overlook other issues in the partnership if the financial goals are being met.

The partnership literature supports these observations. It is estimated that one third of all partnerships fail in the first two years (Bergquist, Betwee, & Meuel, 1995). Many partnerships fail before ever becoming fully operational. Reasons cited in the literature include difficulties related to measuring costs versus benefits, to quantifying some benefits, and to demonstrating the value of the partnership to key stakeholders, especially in non-profit partnerships where profit is not a measurable outcome (Austin, 2000a; Doz & Hamel, 1998). If indicators can be developed to help improve the likelihood of success in these partnership ventures, organizations will save resources that can be better expended on the services they provide.

Research has been conducted on all facets of partnering in the corporate sector, but little has been done to evaluate the successful process of partnering between non-profit organizations. Additionally, there is a lack of research focused specifically on the concept of “value creation” and the factors that influence it pertaining to the non-profit sector.

Background of the Study

Yves Doz and Gary Hamel's (1998) research of value creation in technology industry partnerships was the initial inspiration for this study. Their two-dimensional approach to partnerships focuses on the inherent motivation for partnering – to create value through what the partners can achieve together (value creation), and to create value in what the partners can gain for themselves because of the relationship (value capture). Rosabeth Moss Kanter, a leading management writer, in her paper *Collaborative Advantage: The Art of Partnerships* (1997, p. 225) reinforces this point: "Partnerships that both partners ultimately deem successful involve collaboration (creating new value together) rather than mere exchange (getting something back for what you put in). Partners value the skills each brings to the partnership."

To better explain the concepts of value creation and value capture, it is helpful to provide some examples. Value creation means that "the value of each partner's contributions are enhanced when combined with the contributions of other partners" (Doz & Hamel, 1998, pg. 13). Each organization benefits from working together in the project they have undertaken. An example would be an NGO that has a need for better performance from their staff in some technical area. To achieve this, the NGO wants to provide training to their staff in this area. Leadership of the NGO might have subject matter expertise and an understanding of the culture in which the staff members work, and the organization can provide the logistical support for the training efforts. A university might also have subject matter expertise but additionally might offer an understanding of how people learn, a format for training that will help the NGO staff apply and retain what they've learned, and an infrastructure to award certificates or degrees related to the training. The value of each organizations' contributions are enhanced when they combine forces, and this increases the likelihood that the NGO will achieve its goal. The university would benefit with increased students, tuition and exposure to the NGO context.

"If value creation is difficult to measure, value capture is even harder to calculate" (Doz & Hamel, 1998, pg. 12). Value capture is what the organizations gain indirectly, what one participant in this study called "serendipitous spin-offs" that accrue to either organization because of the work they've done together. Value capture often comes in the form of strategic, indirect benefits, such as opportunities to use new skills developed in the original partnership with other organizations or an enhanced reputation. In the example above, value capture for the NGO might be in the form of internalized training and curriculum development skills that participants acquire from the university and now use in a different training project that does not include the university. For the university, the practitioner perspective gained from working with the NGO might enhance the curriculum they offer in their regular programs and thus increase the appeal of their academic programs to an audience beyond the NGO partner.

Partnerships between for-profit corporations are abundant and have had varying degrees of success. While much has been written on corporate partnerships and valuation based on profit motives, less has been written about the value creation and value capture of mission-focused partnerships where the bottom line benefit is less explicitly stated and less clearly measurable.

Higher education institutions are facing many significant challenges today. Among the most significant issues are reductions in government funding for student aid and research, increased competition from for-profit universities and corporate universities, the high cost of technology needed to stay competitive, and the reluctance of traditional faculty to embrace this new educational arena (Katz & Associates, 1999; F. Newman & L.K. Couturier, 2001). These realities together with the globalization of education and information are enticing, if not forcing, higher education institutions to form partnerships with specialized sectors to provide unique programs both domestically and internationally. Niche markets are helping institutions remain competitive by enrolling more students and establishing uniqueness in what is generally a homogenous education market today.

The international NGO market is also highly competitive and faces challenges of a different type. Donor agencies are requesting more accountability regarding the use of donor funds and expecting NGOs to provide more services with fewer resources. Donors are also encouraging the employment of indigenous staff and leaders in the various countries where the NGOs work. Staff turnover in NGOs is high due to staff leaving for better paying jobs at other NGOs, government jobs or for-profit sector jobs. Indigenous staff that are educated are often offered opportunities to leave their home countries to work in western countries. Staff turnover is also a result of burnout due to the stressful nature of the work.

Working with universities for staff development can help NGOs overcome some of these challenges. First, the partnerships provide continual development of new leadership to replace those lost to the above-mentioned factors. Second, they provide staff with the feeling of being invested in and therefore valued by their organizations. Third, they provide staff with both competencies and credentials to improve their performance and standing within their organizations.

Educational partnerships between academic institutions and other sectors have become common and in some cases necessary in the past decade. Both public and private sector organizations have turned to academic institutions for help in organizational capacity building and training/education programs for their staff to improve product or service offerings. On the other side of the equation, academic institutions have reached out to corporations and social service organizations to expand their market reach and to gain public perception of being a relevant information source for “real world” issues.

Purpose of the Study

The purpose of this research is to study how non-profit organizations create value from partnerships, specifically, partnerships between academic institutions and international non-governmental organizations. Apart from the goals of the partnership per se, how do they create long term value for their respective organizations in what they do together? How do they capture value for their individual organizations separate from the partnership outcomes? What are the experiences of the partnership designers and managers that lead to their perceptions that the relationship is beneficial, and how do they measure those benefits? Through describing the lived experience of the people involved in partnerships and looking at what they say they value and how they measure that value, this study will offer themes that emerge from individual and cross-case analysis which provide an understanding of how these organizations worked together to the benefit of each organization.

In order to understand how participants viewed the benefits of the relationship and how they evaluated those benefits, both those involved in the partnership design and negotiation process and those involved with the day to day management of the relationship were interviewed. This study, then, looks at the value created from partnerships through the lens of the key stakeholders in the partnerships. It is not an evaluation of the success of the projects which were conducted together but rather an examination of participants' perceptions of how the partnership relationship created value for their organizations.

A second purpose of the study is to identify changes in relationships over time and understand how these changes impact whether organizations are able to continue to create or capture value from the relationships. A great deal of time and money is spent on developing organizational partnerships, many of which never get to the launch phase. Little research has been conducted on the relationship management phase and what helps organizations continue to gain value from the relationship. Better understanding these issues can reduce the risks involved in engaging in partnerships.

An outcome of the research was the potential for enhancement of partner participation in the partnerships being studied. These organizations, like many others, lack the time to step back and look comprehensively at the work they are doing together. It is my hope that the process of being researched might provide the opportunity for the organizations to see benefits they have not considered in the past and issues they may not have noticed.

Research Questions

Given the challenges of partnering, this research study attempts to answer the question: What are the characteristics of organizational partnerships that result in value creation and value capture for the organizations involved? Utilizing the general concept of value creation, this study examines the perceived value creation and value capture in the design and management of educational partnerships between academic institutions and non-governmental organizations. The study is guided by the following research questions:

a. How do alliances create value for the organizations involved?

b. What are the intangible benefits or strategic benefits captured for each organization?

c. How do the organizations manage relationships over time to continue to capture value, including maintaining communication and valuing each others contributions?

d. Do organizations measure the value they say they created or captured, and if so, how?

Methodology

This study is a longitudinal, multiple case study that examines the theoretical concept of value as it is relevant to NGO-university partnerships. The concept of value has been largely conceptualized in the literature on corporate, for-profit organizations and has not yet been empirically examined within the context of faith-based, non-profit and educational partnerships. The business sector is primarily, though not solely, motivated by financial profit. The non-profit sector is motivated by activities that enhance their mission – usually to improve the lives of the people they serve.

Three different partnerships were chosen for this study. Within each partnership a series of interviews was conducted utilizing purposeful sampling. Interview questions were constructed with the concept of value in mind; however, the interviews were responsive to participants' own themes and ideas as they emerged in the interviews themselves. Qualitative thematic analysis was used as a tool to examine the interview data. Thematic analysis was extended within roles across partnerships to examine any common themes that emerged across partnerships. An initial set of interviews was conducted with participants from each partnership and then analyzed. Eighteen months after the first set of interviews, a second set of interviews was conducted with individuals in each of the partnerships. These interviews were conducted with the same participants, as well as any additional participants that might be warranted based on the thematic analyses or new staff that joined the organizations. Interview questions for the second interviews were constructed in light of the thematic analyses conducted on the first set of interviews and included questions to explore changes that occurred in the partnerships.

This study examines each partnership as a bounded case across two points of time. Additionally, the study discusses core themes and patterns of meaning that emerged across the three partnerships. These core themes are reported and related to the theoretical concept of value as defined and described in the literature. The analysis of documents, field notes, and interview data were used to triangulate the data and provide the rich detail of this multiple case study.

Phase One of the study, conducted between August and November 2003, entailed reviews of partnership documents collected from each of the partnering organization, including partnership contracts, business plans, team meeting notes, relevant correspondence and any evaluative reports on the partnership outcomes. Through this document review, general discussion topics emerged for phase two, the focused exploratory portion of the research. Phase Two consisted of twenty-nine in-depth interviews with key stakeholders on each side of the selected organizational partnerships conducted between October and November 2003. The stakeholders were participants involved in the creation and management of the relationships for each organization. Phase Three included data analysis and member checks to clarify data. Phase Four consisted of a second round of interviews eighteen months later with thirty-two participants. The final phase included data analysis, member checks, case construction and cross-case analysis. A reflexive journal was kept documenting procedures and reflections on the study (Lincoln & Guba, 1985).

Organization of the Study

The study is organized in the following way. Chapter 1 provides the overview, background, purpose and the research questions to be addressed in the study. Chapter 2 surveys the literature and presents major theories in organizational partnerships and specific value creation and value capture concepts. It examines partnerships in multiple domains and notes the gaps in the literature specifically related to value creation and value capture in the non-profit sector. Chapter 3 describes the methodology used in the research study. It presents the research focus, research site and sampling strategies, phases of the study, interview guides and procedures, method of data analysis and the criteria of trustworthiness to establish the validity and reliability of the study. Chapter 4 provides in-depth bounded cases for each of the three partnerships studied. Finally, Chapter 5 presents the themes that emerged across the cases and the implications for future practice and research in partnerships.

CHAPTER 2: LITERATURE REVIEW

Introduction

"The twenty-first century will be the age of partnerships" (Austin, 2000a, p. 1). It is estimated that the number of partnerships that begin each year is in the tens of thousands world wide (Spekman, Isabella, & MacAvoy, 2000). Despite the growth in and need for partnerships, they still fail at an alarming rate. It is estimated that one third of all partnerships fail in the first two years (Bergquist et al., 1995). Many partnerships fail before ever becoming fully operational. Reasons cited in the literature include difficulties related to measuring costs versus benefits, to quantifying some benefits, and to demonstrating the value of the partnership to key stakeholders, especially in non-profit partnerships where profit is not a measurable outcome (Austin, 2000a; Doz & Hamel, 1998).

The purpose of this research is to study how non-profit organizations create value from partnerships, specifically, partnerships between academic institutions and international NGOs. Value creation and capture is a general construct introduced by Yves Doz and Gary Hamel in the book *Alliance Advantage* (1998). The authors present the general premise that for partnerships to survive, it must create some value for the organizations involved, but that a value often overlooked is the value that the organizations are able to capture independently as indirect benefits accrue to their organization because of the relationship. Frequently the literature on partnering states that the organizations must gain something to make the effort worth while, but the same literature does not state the factors that affect this.

The concept of value in the for-profit sector is often, and appropriately, defined as revenue increase, cost decrease or some other interaction that improves an organization's financial status. Value in the non-profit center, where profit is not the motive, is more challenging to define and measure. Non-profit organizations generally focus on some life change in the people they serve, so financial measures are not sufficient to determine their success as an independent organization, let alone when two non-profit organizations work together. Perhaps this challenge is why there is lack of research focused specifically on the factors that influence value creation in the non-profit sector. Due to the lack of empirical research on partnerships in the non-profit sector, this review will also examine partnerships in multiple sectors, looking for evidence that the partnerships created value for the organizations involved.

Generally, there are two approaches to viewing the literature on partnerships: theory-driven and domain-focused. In the theory-driven approach, partnering behaviors are described, explained, and tested based on theoretical research paradigms from academia. A domain-focused approach views the literature in terms of a specific problem area of partnering, such as in this case, value creation and value capture (Gray & Wood, 1991b; Kim, 1997). "A key limitation of existing [organizational] theory is that most perspectives are oriented toward the individual focal organization – such as a firm… rather than toward an inter-organizational problem domain" (Gray & Wood, 1991b, pg. 140).

This study examines the motivations of partnerships, processes of interaction and partnership outcomes of non-profit organizations where profit and market share are not the reason for partnering. Though the organizational theories below provide partial lenses through which to view value creation in partnerships, the domain-level questions at the heart of this study are not addressed comprehensively enough by any of the theories. Greater attention is paid to the literature on domain-focused issues.

Theory-Driven Approach to Partnering

Gray and Wood (1991b) and Kim (1997) summarize six organizational theories which may be helpful in understanding partnerships when examined at the domain level rather than the individual organizational level. The first three do not lend themselves well to the discussion of the creation, process and outcomes of alliances that result in value created for organizations. These are therefore presented briefly, highlighting their shortcomings in providing a theoretical framework for this research.

Corporate Social Performance

Wood defines corporate social performance as “a business organization’s configuration of principles of social responsibility, process of social responsiveness, and polices, programs and observable outcomes as they relate to the firm’s societal relationships” (Wood, 1991). Organizations are motivated to respond to social problems and issues while also responding to the expectations of their own stakeholder networks, while achieving their organizational goals. The challenge is in striking a balance between the two. This theory is helpful in understanding the motivations of business to non-profit partnerships and in understanding motivations for partnering, especially of corporations feeling pressure to address social issues. The focus is on the individual organization and its need to balance social obligations with other stakeholder obligations, such as financial health, rather than the partnership domain. It does not take into account what role the organization should play alongside other partners, such as non-profit organizations, which have social impact as the center of their mission.

Institutional Theory

"The central premise of institutional theory is that organizations seek to achieve legitimacy from institutional actors by structurally adjusting to institutional influences" (Gray & Wood, 1991a, pg. 10). Institutions are motivated to collaborate based on two types of environmental forces: competitive and institutional. At the domain level, the key questions in collaboration become "how do collaborative alliances interact with institutional environments?" and "are alliances shaped by institutional environments in similar fashion to the ways that single organizations are, or can alliances influence institutional environments?" (Gray & Wood, 1991a, pg. 10). This theory is helpful in understanding how partnerships must change to adjust to internal organizational changes or external environmental (context) shifts so that the relationship can continue. It does not examine the motivation for alliances or the successful outcomes of alliances which are key foci of this research.

Transaction Cost Theory

The traditional view of alliances comes from the microeconomics perspective in which exchange relationships are driven by the profits and costs of transactions (Kim, 1997). The partnership is not judged, however, on the interactions between parties so much as it is on the ability of the partner to provide a needed ingredient in its production chain. Because of this, the process of partnering is not addressed by this theory. An additional limitation to this theory for analyzing partnership strategies is that it has a single-organization focus. Evaluating the partnership based solely on cost minimization overlooks the joint value created from the relationship, which is the focus of this research study.

The remaining three organizational theories provide helpful insights into certain aspects of non-profit value creating alliances.

Resource Dependence Theory

This theory originates from the sociological literature on inter-organizational relationships and political economy of organizations (Kim, 1997). The premise of Resource Dependence Theory is that organizations must acquire and maintain resources to survive due to lack of such resources internally. Two key organizational concerns emerge in this theory: too much dependence on another organization and the uncertainty in an organization's own environment because of that dependency. Therefore, a key question in Resource Dependence Theory is "how can an organization acquire the resource from the other without becoming dependent upon it and maintain its power?" Drivers for relational interaction in the partnership, such as communication and financial transactions, are based on resource dependency of one organization, not on the value the two organizations can create together, which is the focus of this research. The theory helps to identify motivations for partnering and can explain long-term orientation of alliances (Kim, 1997). An area that Resource Dependence Theory does not address is the process of collaborating (Gray & Wood, 1991a), which is a key element in this research.

Strategic Management/Social Ecology Theory

Strategic Management Theory is more closely aligned with this research in that its focus is on the strategic advantage gained through collaboration. The focus of this theory is on reducing threats in an organization's environment and capitalizing on opportunities. The emphasis, again, is on the individual organization and what strategic decisions will benefit its interests. "Such theories perpetuate an illusion of control that organizations and their managers actually do not and cannot exercise" (Gray & Wood, 1991a, pg. 9). There is no room in the theory for collective action and collective goals.

Social Ecology Theory emerged in an attempt to address this lack of focus. Social Ecology Theory emphasizes the benefits of collective strategies for situations in which organizations face collective problems. Astley and Fombrun (1983) identify organizational clusters (collectives) that provide a helpful framework for understanding the motivations for collaboration between organizations and emphasize the benefits of collective strategy for facing collective problems. The research provides an early framework for what has become common among corporate partnerships today, that is situations where competitors partner to gain control over the environment and to mitigate environmental threats to an industry. What is not covered in this theory, however, is an examining of the act or process of partnering to achieve those outcomes. The issue of balance between self-interests and communal interests is not covered in this theory, and this is a central point in value creation, assuming that both organizations must gain value for the partnership to endure.

Social Exchange Theory

Generally, Social Exchange Theory views cooperation as a means of maximizing benefits. The theory is used in many disciplines but all share the perspective on exchange – the parties in a relationship cooperate when the benefits of cooperation exceed the costs. At the micro level, Social Exchange Theory encompasses Transaction Cost Economics Theory but differs from it in that it allows for relational exchange as one outcome. "Relational exchange transpires over time. Each transaction must be viewed in terms of its history and its anticipated future. The basis for future collaboration may be supported by trust and dependence. Relational exchange participants can be expected to derive complex, personal, non-economic satisfaction and engage in social exchange" (Kim, 1997 pg. 48). The major contribution of Social Exchange Theory is that it holds that both economic goals and social factors, such as trust and relational norms, must be addressed in partnerships. The application of the theory has generally been used in the for-profit sector, specifically supply chain relationships.

Each of the above theories provides some aspect helpful to the study of collaboration, however, each presupposes conditions not present in the context of this research where value defines itself and the process of creating and capturing value is examined from the design, implementation an assessment of a relationship.

Domain-Centered Research

Much of the literature on non-profit partnerships describes specific projects undertaken, including a summary of the events that occurred and the outcomes. Very little empirical research focuses on the process of partnering, i.e. the interactions along the journey that result in organizations deriving value from the partnership relationship. Even less is available specifically addressing partnerships between universities and non-profit organizations. However, we can look to other sectors for attributes of successful processes.

The search for literature in this field yielded hundreds of books and articles surrounding the topic of partnering and partnerships. This study focuses on the partnership relationship -- actions organizations take that benefit the partnership and result in value capture for both partners. According to Kale, Singh, & Perlmutter (2000, pg. 3):

> Three streams of research typify most of the academic work on partnerships. The first stream that attempts to explain the motivations for partnership formation has put forth three rationales: strategic, transaction costs related, and learning related. Strategic considerations involve using partnerships to enhance a firm's competitive position through market power or efficiency. Transaction cost explanations view partnership formation as a means to reduce the production and transaction costs for the firms concerned. Learning explanations view partnerships as a means to learn or absorb critical skills or capabilities from partnership partners. The second stream of research focuses

> on the choice of governance structure in partnerships. Informed largely by transaction cost economics, it argues that governance in partnerships mirrors the underlying transaction costs associated with an exchange, and that equity-based structures are more likely under conditions of high transaction costs. The third stream of research examines the effectiveness and performance of partnerships. It seeks to identify factors that enhance or impede the performance of either the partnership itself, or of the partnership's parent firms that are engaged in one.

Business-to-Business Partnerships

Generally speaking, organizations in corporate sector partner to gain strategic positioning, capture market share, fulfill a market niche and so on. Through effective partnering, organizations can gain efficiency, expand markets, tap new sources of revenue, develop staff skills, and gain personal gratification (Austin, 2000a; Bergquist et al., 1995; Doz & Hamel, 1998; Sagawa & Segal, 2000). The global economy and global context has expanded our framework for defining markets and has forced all sectors to think about global competitiveness (Austin, 2000a; Bergquist et al., 1995; Doz & Hamel, 1998). Organizations once considered competitors now engage in partnerships to survive and thrive.

Business-to-business partnerships are the most commonly studied partnerships. The studies reviewed looked both at the process of partnering and some measure of value creation. Two of the studies focus on learning in partnerships (Hamel, 1991; Kale et al., 2000). These studies examine nine partnerships in order to understand the extent to which the collaborative process leads to inter-partner learning. In both studies the focus is on learning from the partner in order to improve the individual organization’s market share.

Kale (2000) used a large scale survey to identify the factors that both enabled a firm to learn from its partner and protected the firm’s assets from its partner. This is one of the few studies that focus on post-formation procedures and their impact on the partnership outcomes. The better the relationship with the partner, the more protected the firms assets were with that partner.

Saxton (1997) examines both partner characteristics and relationship characteristics to study their separate and combined effects on partnership outcomes. Like the Kale study, Saxton conducted a large-scale survey to test the researcher’s four hypotheses regarding: the impact that the firms’ reputation had on the partnership, the impact that prior relationship had on the current relationship, the alignment of shared decision making on the partnership, and the impact that similarities between the two firms had on the partnership.

Although relationship characteristics alone appeared to be better predictors of a firm's initial satisfaction with an partnership, the findings of this study suggest that the combination of both partner and relationship characteristics offers superior explanatory power for predicting sustained benefits to partners in an partnership. Results affirm that partner and relationship characteristics do matter and that partnerships are economic actions embedded in a social structure. A surprising finding was that prior affiliation was linked to initial satisfaction but not to longer-term benefits to partners.

Business-to-Non-Profit Sector Partnerships

Non-profit organizations are experiencing a greater need to collaborate as well. Shrinking government funding for social services and the increased demand for those services forces many non-profits to collaborate with others for synergy, shared resources and survival (Austin, 2000a). Partnerships provide a better use of scarce resources and a vehicle to expand operations and potentially serve a greater number of people.

The overall research in business-to-non-profit sector partnerships centers on two types of partnerships: philanthropic and social marketing, corporations hoping to gain good will through partnerships with social service causes. A review of the literature reveals only a few articles and books that focus on the partnership relationship (Austin, 2000b; Huxham & Vangen, 1996; Sagawa & Segal, 2000).

Austin (2000b), in *Strategic Collaboration Between Non-Profits and Business,* addresses the questions of evolution and viability of cross-sector partnerships. The outcome of Austin's research was the development of a collaboration construct which provides ways to categorize and examine partnerships. Huxham (1996) and Sagawa (2000) also studied hundreds of partnerships looking for the key issues that helped or hindered collaboration. Both studies highlight communication and paying attention to the balance of power in the relationship as important factors in fostering a collaborative environment.

Business- or Non-profit-to-University Partnerships

The knowledge economy has increased the need for organizations to invest in staff training and education in order to remain competitive. Thus, organizations are increasingly turning to higher education institutions for training partnerships (Colston, 2003; Hasseltine, 2000; Patterson, 1998). Additionally, decreased federal funding of education and challenging financial times has caused many higher education institutions to look for additional funding and ways to increase their enrollments and exposure (Colston, 2003).

Capacity building partnerships between universities and organizations, either non-profit or for-profit, have been the primary domains of interest for this study. When profit is not the motive, what does value creation look like? The focus of these partnerships is on learning and staff development, though with different learning goals than what is found in business-to-business partnerships. Business-to-business partnerships typically focus on what learning can be transferred between organizations, usually in a competitive atmosphere. In university-to-business or non-profit organization partnerships, the focus is on the transfer of theoretical knowledge and academic program rigor to the management development needs of organizations. The university benefits from the real-life context that the students share with the university staff which can improve future teaching and curriculum. Because of this, it is a win-win learning partnership in most cases.

Academic institutions provide an outsider perspective on internal issues an organization may be facing. They also provide cutting-edge expertise and research without investment in in-house staff. The use of a neutral party also adds credibility to any training program through a customized curriculum that is also academically challenging (Colston, 2003; Mavin & Bryans, 2000; Prince, 2002; Settles, 1996). Often, an academic institution will be able to provide online training options as well.

Universities benefit from cross-sector partnerships in many ways. Contract training programs provide revenue, enhance internal and external visibility, and improve the university-business relationship with the business community. Examples of value captured by the universities would be the gain in general research support, transfer of knowledge and technology, and new funding for internships, employment, and advisory committees (Colston, 2003; Mavin & Bryans, 2000).

There are a number of challenges to partnering with universities that must be overcome in order for these partnerships to create value. As a result, traditional universities are generally not prepared to participate in these types of partnerships. They may lack the staffing and resources necessary to take advantage of these opportunities. The organizational culture of universities also impacts the ability of an institution to engage in training partnerships (Gonzales-Walker, 2003; Phelan, Harringon, & Mercer, 2004). Further, some leaders and educators view the business of corporate education as a threat to academic integrity (Newman & Couturier, 2001).

Value Creation in Partnerships

There are three aspects of partnering that lead to value creation in alliances and, as Gray (1991a) believes, need further theorizing. These include the preconditions (causes, motivations) that give rise to collaborative alliances, a clear understanding of collaboration and how it occurs, and finally the expected outcomes and success measures. What follows is a review of the literature on these aspects.

Most organizational partnerships follow a similar evolution: a design phase, on-going management, and regular assessment. The steps taken during these phases impact partnership outcomes. Steps in the design phase include an honest self-appraisal by each organization as to partnership readiness, creating a shared vision for the partnership, and explicitly defining value creation expectations with the input of important stakeholders (Austin, 2000a; Doz & Hamel, 1998; Kanter, 1989; Spekman et al., 2000).

The management phase is the extended phase of the relationship and requires those involved to accept a new paradigm of working – that of collaboration. Team members from each organization begin the process of implementing the partnership based on the agreement, structuring the governance and operations, identifying gaps in the relationship, and determining who should communicate and the best process for communicating between the partnering organizations.

The assessment phase may, in fact, occur throughout the partnership relationship. Each organization assesses whether the partnership is benefiting them, including what the tangible and intangible benefits are based their original expectations as well as those developed as the partnership progresses (Austin, 2000a; Doz & Hamel, 1998; Kanter, 1989; Spekman et al., 2000).

Design the Relationship: The Formation Phase

Doz and Hamel (1998) contend that many partnerships fail to design and manage the relationship for value creation and value capture. Austin (2000a), Spekman (2000) and Sagawa (2000) support the premise that partnerships need to create new value for the participating organizations and help those individual organizations find value independently. This can be accomplished through resource and skills transfer or some other jointly defined goal or determinant. There is no single definition of value for an organization. It is determined on a case-by-case basis based on what each organization hopes to gain from a partnership.

Honest self-appraisal. Leaders must assess and express the capacity of their organizations and the changing conditions of their industries (Kanter, 1997). This requires transparency and humility not often found between partners who are virtually strangers to each other and who have a need the partnership would satisfy. Too often organizational representatives enter partnership discussions and present only the best attributes of their organization, never touching upon weaknesses or organizational idiosyncrasies. Revealing only a partial image of an organization can elevate expectations to an unreasonable level early in the relationship. Later, when organizational flaws are revealed, conflict erupts. Leaders, together with key stakeholders, must take a realistic look at their capacity to engage in the partnership relationship. Often partnerships require great individual effort given the number of cross-organization relationships that must be managed to achieve the desired partnership outcome (Karasoff, 1998; Mattessich, Murray-Close, & Monsey, 2001).

Establishing realistic goals and measurable outcomes early in the partnership creates the potential for initial successes, or, as John Kotter (1996) calls them, short-term wins, necessary to garner support.

Shared vision. "The more central an partnership's purpose to the partners' missions, strategies, and values, the more important and vigorous the relationship is likely to be" (Austin, 2000a, pg. 61). Organizational partnerships founded on shared vision and common goals have a greater chance at succeeding since the focus is on something greater than the individual organizations. They have a common desire to build something of significance (Austin, 2000a; Bergquist et al., 1995; Kanter, 1989; Karasoff, 1998; Mattessich et al., 2001). One of the paradoxical dilemmas seen in partnerships is that organizations must share vision and be willing to be interdependent, but the partnership outcomes must also satisfy the self-interest of each individual organization in order to be sustainable. Otherwise organizational commitment will wane over time. Uneven levels of commitment and imbalanced power and resources in the relationship will eventually result in conflict (Doz & Hamel, 1998; Kanter, 1989; Mattessich et al., 2001).

Value creation. "The viability of a partnership depends fundamentally on its ability to create added value for both participants. The more clearly one can define the value expected from a collaboration, the better one can configure the partnership to produce it" (Austin, 2000a, pg. 89). Leading an organizational partnership requires leaders to know the needs of their organization and the motivations for engaging in the relationship. This can begin with an individual organization having a need and deciding that partnering to fulfill the need is in their best interest. It can also begin with organizations coming together to brainstorm ideas on how they can collaborate and seeing value emerge from the discussions.

Regardless of how it begins, each organization must determine what value the partnership will create for their organization and what value can be captured by their organization (Austin, 2000a; Bergquist et al., 1995; Doz & Hamel, 1998; Huxham, 1996; Kanter, 1997; Prahalad, 1999; Sagawa & Segal, 2000; Spekman et al., 2000). What can the two organizations accomplish together that they cannot accomplish individually? What new opportunities can be taken advantage of? What current threats can be mitigated?

Doz & Hamel (1998) refer to this process as assessing the strategic scope of the relationship which, under their rubric, fits into one of three value creation logics: co-option, co-specialization, or learning and internalization. This concept of value creation appears in other partnership literature as well. Austin (2000a) refers to this assessment as a process of ensuring strategic fit by looking at such variables as mission, needs, strategy, and resources. Kanter (1997), Spekman (2000), and others also address the necessity for partnerships to create value for each participant.

As the relationship grows, each partner will expect the other to care that the partnership is benefiting both organizations and at similar levels. With both value creation and value capture goals, there should be a clear method of measuring those goals in the future. Unfair distributions of benefits between the partners will more than likely result in conflict in the relationship. Therefore, when conceiving the partnership, it is important that both partners pay serious attention to value creation and managing the partnership for value capture. As James Austin notes in *Collaboration Challenge*, “Every relationship involves an exchange of value among the participants. The magnitude, form, source, and distribution of that value are at the heart of relational dynamics. The perceived worth of an alliance is the ultimate determinant of first, whether it will be created and second, whether it will be sustained. It is thus important that partners be able to assess carefully the potential and actual value of a collaborative activity" (2000a, pg. 87).

Balancing self-interests and collective interests. A question that invariably plagues collaboration theorists is the challenge of balancing the interests of the individual organization versus the interests of the partnership. Lax and Sebenius (in Gray & Wood, 1991b) identify three types of interests: shared, differing and opposing. Shared interests are interests held in common by stakeholders. Opposing interests are self-interests that directly interfere with one another. Differing interests are self-interests based on different concepts of value that do not interfere with one another. Both the need and the potential for stakeholders to derive some benefit (individual or collective) are the heart of value creation and value capture. The uneven accrual of benefits to one partner will likely lead to tension in the relationship.

Defining the operational scope. In order to achieve partnership goals, partnership leaders need to agree upon the operational scope of the partnership, intended responsibilities of each partner, jointly performed functions and separately performed functions. Good partnership leadership at this phase understands that teams will need decision-making authority for procedures in their departments and the ability to adapt those procedures when needed. Additionally, these teams will need leaders to advocate for them when the tasks they must perform for the partnership seem to contradict what is in the best interest of their own organization. It takes balance to navigate between the goals of the partnership and the goals of the individual organization (Gray, 1989; Kanter, 1989; Spekman et al., 2000).

Stakeholder inclusion. Including partnership managers in the partnership negotiations early may help the partnership in a number of ways. Managers will better understand organizational commitments and help determine how and if they are achievable. They will have a clear understanding of what will be expected of them, and have ownership in the partnership objectives. Selection of appropriate partnership managers for these negotiations is critical. Realism is welcome; however, pessimism and bureaucracy can end a prospective partnership at the negotiation stage (Karasoff, 1998; Mattessich et al., 2001; Spekman et al., 2000).

Managing the Relationship: The Implementation Phase

The paradigm shift. Many organizations find it difficult to achieve the new mindset required of partnership managers. “To expect that partnership management is no different from managing one’s own company and that problems can be addressed through administrative fiat is, at best, an exercise in poor judgment. Moreover, to think that partnerships can be managed as a side activity with few resources and little attention ignores the reality that partnership management takes a great deal of management time and resources. It also takes practice” (Spekman et al., 2000, pg. 18). “To succeed at collaboration, a leader must be able to skillfully create a climate of trust, facilitate positive interdependence, and support face to face interactions” (Kouzes & Posner, 2003, pg. 89). “If you bring the appropriate people together in constructive ways with good information, they will create authentic or appropriate visions and strategies for addressing the shared concerns of the organization or community” (Chrislip & Larson, 1994, pp. 108-109).

Too often, partnership leaders focus on the design and visioning stage, yet the most serious work happens at the implementation stage. Doz & Hamel note that “typically managers devote much attention to the formal design of an alliance at its inception. Yet, all too often, the underlying assumptions about the strategic logic of the partnership have been poorly tested and are more fantasy than reality. Worse still, senior management often disengages once the deal is done, naively hoping that the partnership will fly along on autopilot" (1998). Similarly, Rosabeth Moss Kanter cites a study revealing that "nearly half the time top management spends on the average joint venture goes into creating it. Another 23 percent goes into developing the plan, and only 8 percent into setting up management systems" (1989, pg. 167).

The implementation phase is the most difficult phase of any partnership. During this phase leaders discover gaps in their partnership planning, unrealistic goals and expectations, unequal organizational capacity, and personality conflicts across organizations. This phase tests partnership leadership most. During the implementation phase, participants must manage their relationship, making adjustments to both processes and expectations along the way (Karasoff, 1998; Mattessich et al., 2001).

Identifying the gaps. Once the partnership has been designed with established criteria for value creation, partners begin to discover the gaps in their assumptions about the relationship. Doz and Hamel (1998) refer to three categories of gaps: context gaps, content gaps and process gaps. Context gaps occur when partners fail to understand their differences: in organizational culture and values, in each other's industry, in partnership expectations, and in the amount of available resources. Content gaps result from significant differences in the skills of each partner or unclear definitions of tasks to be handled by each partner. Process gaps involve gaps in the sharing of information between the partners or the extended amount of time between investing resources in the partnership and receiving a return on the investment.

Other reasons for tension in partnerships cited by other authors include conflicting personalities of those involved, dramatically different goals for the partnership, or significantly different ways of measuring those goals (Bergquist et al., 1995; Doz & Hamel, 1998; Linden, 2002). This is a critical stage as partnership expectations begin to come into alignment with reality. It is during this stage that conflict resolution must begin, as well as the negotiation of new expectations.

Structuring the operations. "One of the notable dichotomies that partnership managers must balance is the distinction between shared control and having control" (Spekman et al., 2000, pg. 17). "Collaborative work is designed to use the expertise of each partner in the collaborative relationship" (Karasoff, 1998). To meet partnership commitments, leaders may need to restructure their teams to serve the partnership goals. This requires the development of clear roles and policies, adapting previous processes and possibly adding or changing staff to honor the agreement. There are mixed opinions about the way organizations structure their partnership activity. Some authors, such as Spekman & Isabella (2000), advocate for building partnership competence throughout the organization. Collaborative leaders in a partnership understand the need for a structure to empower decision making and responsibility at all levels.

Other authors note that different phases of partnerships require different types of leadership and usually cannot be satisfied by just one partnership manager. Those leaders that conceive and design the relationship may not be suited to implement and manage it (Dyer, Kale, & Singh, 2001; Spekman et al., 2000). Additionally, partnerships can add a significant amount of work to already taxed staff, which leads some authors to advocate for the creation of a separate unit that will specifically represent the organization in the partnership. The structure may be in existence indefinitely or for a start-up period until the partnership is running smoothly and can be reintegrated into the larger organizational structure. Typically only larger and wealthier organizations can afford to create such partnership units. Smaller companies and non-profit institutions usually do not have this option, leaving them with the challenge of managing partnership activity and relationships in addition to their existing functions.

Defining the partnership interface and communication. The partnership literature stresses the importance of open and frequent communication both within an organization and between organizations (Bergquist et al., 1995; Kanter, 1997; Karasoff, 1998; Mattessich et al., 2001; Spekman et al., 2000). "More challenging, more innovative, more partnership-oriented positions carry with them the requirement for more communication and interaction. One needs more time for meetings in a post-entrepreneurial workplace, where divisions interact in the search for synergies, job territories overlap, people might report to more than one manager, and projects require the coordination of a number of people, each with specialized responsibility. But groups often take longer to do certain kinds of work than do individuals, even if the quality of the solution is higher" (Kanter, 1989, pg. 275).

Monitor the Relationship: The Assessment Phase

Leaders must recognize the value they expect the partnership to create for their organization and how that value will be measured. Doz & Hamel (1998) provide a series of assessment questions to ask: Are the criteria used to measure success consistent with the value creation expectations of the partnership? Are some benefits ignored in the measurement of success? Are both tangible and intangible benefits examined in the partnership assessment? Are both partners using compatible criteria to measure success?

The essence of assessing value in partnerships can be summed in two questions: "What did we get for it?" and "what did we become by it?" The first, "what did we get for it?" is the traditional method of measuring partnership success. Did the partnership result in increased profits, increased populations of people served, improved public image? Did either organization acquire a new asset from the partnership or avoid a threat because of it? How long did the partnership last? Did it last long enough to realize its intended goals?

Partnerships must create value for the organizations to stay involved; however, tangible benefits are not the only measures of success. The second question to ask is "what did we become by it?" Examples of such questions include: What intangible benefits were achieved through the partnership, or what value did we capture? Did the partnership result in more collaborative staff, structures and procedures than before it began? Is there a greater appreciation of collaborative leadership and is that being practiced more widely in the organization? Have the participants gained conflict resolution skills?

Common Lessons from All Domains

From the review of research on partnerships in multiple domains, several key themes emerge:

- Partnerships need a clear purpose if both organizations are to gain their expected benefits from them.
- Organizations need to invest as much or more in managing the relationship with their partner as they do in planning and entering the partnership.
- The resources that each organization brings to the partnership are important for political positioning, as well as ensuring the partnership benefits both organizations as originally expected.

- Communication between partners is considered crucial in almost every case (Austin, 2000b; Gray & Wood, 1991b; Huxham & Vangen, 1996; Kale et al., 2000; McGregor, 1998; Phelan et al., 2004)

Conclusion

"An unprecedented number of strategic alliances between firms are being formed each year. These are not limited to a few industries but occurring broadly… They bridge national borders and continents" (Doz & Hamel, 1998, pg. xiii). Increasingly, organizations are engaging in partnerships due to many changes in their external environments. The global economy, government budget decreases, and donors expecting organizations to collaborate provide the groundwork to promote collaborative efforts in the corporate and non-profit sectors. The movement with the United States to a knowledge economy drives the need for individuals and organizations to acquire a greater level of skills to remain viable in this new environment.

"While partnerships can – and often do – take a toll on people and organizations they continue to be born at ever increasing rates" (Bergquist et al., 1995, pg. 10). As collaboration increases, so does the need to understand the actions that will make collaborative efforts successful for those involved. Gray suggests that future research on the topic of inter-organizational collaboration be "more longitudinal, process-focused, action-oriented to capture complexities (Gray in Thongkhong-Park, 2001, pg. 932). Research on partnerships often examines the relationship at one point in time rather than over an extended period of time, which impacts the lessons learned. Incidents such as partner withdrawal or partnership decline would undoubtedly emerge more frequently within longitudinal studies and could provide a rich understanding of the factors that cause relationship breakdown between organizations. These are areas that this research study addresses, specifically in the non-profit-to-university partnership domain.

CHAPTER 3: METHODOLOGY

Naturalistic Inquiry in a Multiple Case Study – An Overview

This study is a longitudinal, multiple case study that examines the theoretical concept of value as it is relevant to NGO and University partnerships. This research examines the *how* of organizational partnerships – a research position that lends itself well to a multiple case study in the naturalistic paradigm. Naturalistic inquiry asks the question of how a phenomenon happens and does so with the researcher and subjects situated in the natural context of the phenomenon.

There are a number of universally recognized agreements about the naturalistic paradigm that create the framework for such a study. Among these are recognition of the presence of multiple realities, the relationship of the inquirer to the study as one of interaction, and the mediation of multiple realities through the inquirer's own perceptions. Additionally, naturalistic inquiry forms working hypotheses that describe specific events rather than attempting to generalize statements about reality that are free from context. Cause and effect are difficult to distinguish. Naturalistic inquiries are value-bound because of the influences of the inquirer's values, choice of the paradigm guiding the investigation, choice of substantive theory utilized, and values inherent in the context. All of these areas must be congruent to achieve meaningful results in a naturalistic, multiple case study (Lincoln & Guba, 1985, pp. 37-38). A number of characteristics found in naturalistic research were present in this study and are described below.

Phenomena Studied in their Natural Setting.

Numerous authors cite the necessity of research taking place in the context of the event or subject being studied and the reality that the researcher does not interfere with the subject of the study (Merriam, 1998; Patton, 2002; Yin, 2003). Lincoln and Guba (1985, pg. 39), however, provide the greatest depth and insight into this characteristic. “Naturalist ontology suggests that realities are wholes and cannot be understood in isolation from their contexts, nor can they be fragmented for separate study of the parts. The whole is more than the sum of the parts. The act of observation influences what is seen, so the research interaction should take place with the entity-in-context for fullest understanding. Context is crucial in deciding whether or not a finding may have meaning in some other context as well”.

Human Beings as the Primary Data Gathering Instrument

As discussed above, naturalistic studies deal in multiple realities. “Humans are the only instrument that can adjust to the multiple realities that the naturalist will face (Lincoln & Guba, 1985, p. 39). The human as research instrument provides responsiveness and adaptability to the participant responses and the context that would not be afforded through inanimate instruments such as questionnaires (Merriam, 1998). The closeness that the researcher is able to achieve to the phenomenon under study provides the researcher with personal experiences and insights critical to understanding the responses and allows the researcher to clarify, summarize and explore misunderstandings immediately (Miles & Huberman, 1994; Patton, 2002).

Utilization of Tacit Knowledge

Another facet of the human as research instrument is the reliance on tacit knowledge in interpreting the nuances of verbal responses. The researcher is able to draw from reserves of taken-for-granted knowledge that cannot be articulated (Jarvis, 1999; Lincoln & Guba, 1985). “The naturalist argues for the legitimating of tacit (intuitive, felt) knowledge in addition to propositional knowledge because often the nuances of the multiple realities can be appreciated only in this way. Much of the interaction between investigator or respondent occurs at this level" (Lincoln & Guba, 1985, p. 40).

Qualitative Methods

Qualitative methods are selected because they are more adaptable to dealing with multiple realities. Qualitative researchers are interested in understanding the meaning people have constructed from those realities. Patton (2002, pp. 40-47) defines the technical characteristics of qualitative methods: detailed, thick description; in depth inquiry; and interviews that capture direct quotations about people's perspectives and experiences.

Purposeful Sampling

Purposeful sampling is a method of selecting individuals specifically for the in depth information they can provide about the topic of study. "Purposeful sampling is employed to increase the range of data exposed and multiple realities uncovered"(Lincoln & Guba, 1985, p. 40). "The logic and power of purposeful sampling derive from the emphasis on in-depth understanding" (Patton, 2002, p. 45). This leads to selecting information-rich cases for study in depth that illuminate the questions under study.

Inductive Data Analysis

Naturalistic studies employ inductive data analysis procedures. "Categories or dimensions of analysis emerge from open-ended observations as the inquirer comes to understand patterns that exist in the phenomenon being investigated. The strategy is to allow the important analysis dimensions to emerge from patterns found in the cases under study without presupposing in advance what the important dimensions will be" (Patton, 2002, p. 55).

Emergent Design

Closely related to inductive data analysis is the concept of emergent design, which is a characteristic of naturalistic inquiry studies. In this approach, the design of a research study emerges through the course of the study as the result of the researcher's reflection on gathered data, which in this study is partnership documents, interview notes, and interview transcriptions. This is necessary for many of the reasons cited above: meaning is determined by context to a great extent; multiple realities require an emergent design rather than a design based on a priori reality; and the information learned at a site will be dependent on the interaction of the researcher and study participants/context (Denzin & Lincoln, 1994; Lincoln & Guba, 1985). An emergent design allows the researcher to pursue new paths of discovery as they emerge (Patton, 2002).

Case Study Reporting Mode

Most authors agree that the case study report provides a framework to capture the distinctiveness of naturalistic studies, particularly a thick description of events, the nuances of the relationship between the researcher and the study participant, and a holistic perspective of the phenomenon occurring in its context (Lincoln & Guba, 1985; Patton, 2002; Yin, 2003). Case reporting gives the reader "vicarious readership." It draws the reader into the study giving them a thorough understanding of the research site and events and enables them to bring their tacit knowledge to the study (Lincoln & Guba, 1985).

While a number of authors cite case study as the final reporting structure of a naturalist study, Yin proposes case study as a methodology for the entire study. "[T]he case study method allows investigators to retain the holistic and meaningful characteristics of real-life events – such as individual life cycles, organizational and managerial processes, neighborhood change, international relations and the maturation of industries" (2003, p. 2). There is an advantage to the multiple-case design in that the evidence from multiple cases is often considered more compelling (Yin, 2003).

Purpose

The purpose of this research is to study how non-profit organizations create value from partnerships, specifically, partnerships between academic institutions and international non-governmental organizations (NGOs). Apart from the goals of the partnership per se, how do they create long term value for their respective organizations in what they do together? How do they capture value for their individual organization separate from the partnership outcomes? What are the experiences of the partnership designers and managers that lead to their perception that the relationship is beneficial and how do they measure those benefits?

There are many different aspects of partnerships that could have been studied. One repeating theme that emerged in the literature was that partnerships must create value for the organizations involved in order for them to want to be involved. Doz & Hamel (1998) put forth a construct of value creation and value capture for designing and managing a partnership that provides the theoretical proposition of the study. This theoretical proposition shaped the data collection plan, guided the analysis and gave organization to the final case reports (Yin, 2003).

This chapter will describe a methodological approach that seeks to capture the lived experience of the people involved in a partnership by asking them to reflect on the meaning and measuring of value in the immediate context of their partnership. These meanings as reported by the participants will be thematically analyzed to gain an understanding of inter-organizational workings in the field.

Methodology

This multiple case study began with the theoretical proposition of value creation and value capture. This theoretical proposition "directs attention to something that should be examined within the scope of the study….and guides the researcher where to look for relevant evidence" (Yin, 2003, pg. 22). Three different partnerships were chosen to be studied. Within each partnership purposeful sampling was used to select interview respondents. Interview questions were constructed with the concept of value in mind; however, the interviews were responsive to participants own themes and ideas as they emerged in the interview itself. Qualitative thematic analysis was used as a tool to analyze interview data, which was collected at two points in time eighteen months apart. The thematic analysis was extended within roles across partnerships to examine common themes that emerged across partnerships.

This research examines the "how" of organizational partnerships using a naturalistic paradigm. This exploratory descriptive methodology brought to the surface common perceptions and events that led to the belief that value was created for the organizations involved in educational partnerships. While it is generally accepted that "designing" a naturalistic inquiry is paradoxical, planning for broad contingencies is suggested and expected (Lincoln & Guba, 1985). Prior to beginning formal data collection, a research team was assembled consisting of a research advisor and methodologist familiar with this methodology.

Based on Lincoln and Guba's (1985) characteristics of operational naturalistic inquiry, the study satisfied the criteria for this methodology in the following ways. This study took place in the natural setting of the organizations in partnership, utilizing the researcher as the human instrument and primary data-gathering instrument. Interviewing study participants in each organization provided answers to such questions as: How was the partnership designed to create value? How was the partnership managed to continue to capture value from the relationships? How did each partner measure value as the partnership changed over time?

Research Site and Participants

The research sites for this study were the offices of three pairs of partnering organizations in six locations. Four to nine interviews were conducted at each organization's office. Conducting on-site interviews afforded the opportunity to draw from partnership documents as they were identified during the participant interviews. These sites also allowed for the inclusion of other participants as key stakeholders were identified during the initial interviews.

Five organizational partnerships were initially considered. Key representatives were contacted and preliminary information about each partnership was collected. From that information, comparisons were made and three partnerships with similar characteristics were selected for study (see Appendix A). Once selected, contacts were made with a representative of each partnership to determine its suitability for the study and the willingness of stakeholders in both partnering organizations to participate.

The partnerships were selected based on the following criteria: 1. The partnership was a relationship between an academic institution and international non-governmental organization, 2. The partnership had an existing formal contractual arrangement between the two organizations, 3. The organizations involved had been in partnership for at least three years; 4. The partnership's purpose was capacity building for the NGO; and 5. Members of both organizations in the partnership expressed a willingness to participate in the research. The two partnerships not selected for the study did not meet all of these criteria. One was not a formal partnership around any specific project but was a commitment to collaborate between the organizations. It lacked a contract and any formalized structure and constituted the relationship between one person at the university and one person at the NGO. The other partnership met the first four criteria, but the participants did not feel they had the time to contribute to the study and declined participation.

Individuals from each organization were selected for participation using purposeful sampling – determining those that could contribute to theory building (Creswell, 1998). The subjects were voluntary participants in the research project and selected because of their role in the creation of the partnership or the daily management of it. Their role gave them credibility in discussing the issues of value creation and value capture in these relationships.

Participants were categorized based on the following roles: "Designers," those who designed and negotiated the partnership; "Bridges," those who were part of the initial partnership creation and continued with the implementation and management of the project; and "Managers," those who were brought in to handle functions for the partnership after it was created and were entrusted with achieving the original objectives. The number from each category in an organization varied, as displayed in Table 3.1.

Table 3.1 – Roles of Selected Interview Participants

Organization	# of Designers	# of Bridges	# of Managers
University 1	1	2	3
NGO 1	2	1	3
University 2	1	2	6
NGO 2	1	2	1
University 3	0	1	3
NGO 3	0	1	3

Key representatives within the partnering organization were contacted and confirmed their willingness to participate in the research project and assist in identifying those persons directly responsible for creating or maintaining the partnership relationship prior to the interview dates. These key representatives requested the involvement of these individuals, but all respondents were free to decline participation (See Appendix B). During the interview process other key participants in the partnering relationships were identified and subsequently contacted for additional interviews.

Phases of the Study

Phase one of the study entailed collecting documents from each of the partnering organizations, including partnership contracts, business plans, team meeting notes, relevant correspondence and any evaluative reports on the partnership outcomes. After review of these documents, interviews were scheduled for Phase two, the focused exploratory portion of the research. Phase two consisted of twenty-nine in-depth interviews with selected organizational stakeholders on each side of the selected partnerships. The conversational style interviews explored different aspects of the primary research question – what value was created by the partnership. The first two phases occurred between August and November 2003. The stakeholders were participants involved in the creation and management of the relationship for each organization. Phase three involved analyzing the interviews using qualitative thematic analysis and member checks to clarify initial responses. Phase four involved a second round of interviews and was conducted in July 2005 with twenty-eight of the original twenty-nine participants and four new participants. These interviews explored themes that emerged from the first round of interviews, areas that needed further discussion and clarification, and changes to the partnership, including the participants' perceptions of how or if the relationship still created value. Transcripts from the second interviews were analyzed and coded and when necessary, participants were contacted to provide further clarification of responses. The fifth and final phase of the study entailed detailed descriptive case development for each of the three partnerships and cross-case analysis for discovering emergent themes.

Data Collection and Procedures

Qualitative methods were selected because they are more adaptable to dealing with multiple realities. Qualitative researchers are interested in understanding the meaning people have constructed from those realities. In a naturalistic study, for the data to be objective it must be representative of the situation as it exists. "The use of multiple sources of evidence in case studies allows an investigator to address a broader range of historical, attitudinal and behavioral issues" (Yin, 2003, pg. 98). Representative data are established through the use of techniques such as triangulation (or as Yin calls it "converging lines of inquiry"), member checks, and persistent observation. To be confirmable a second researcher should be able to verify the data from other sources or by auditing the research process. To make the research auditable, the researcher kept a reflective journal and coded the data in such a way that a second researcher would be able to follow the analysis process. This allowed the researcher to account for the major changes that occurred across the life of the study and created a situation in which an independent auditor would be able to judge the plausibility of the researcher's conclusions (Lee, 1999; Lincoln & Guba, 1985; Merriam, 1998; Patton, 2002; Yin, 2003).

For this study, qualitative methods of data collection were used, specifically partnership document review and stakeholders interviews. Documents from each of the partnering organizations were collected, including: partnership contracts, business plans, team meeting notes, relevant correspondence and any evaluative reports on the partnership outcomes. Information from the documents provided the background of the relationship, the purpose of the partnership, and other background information that gave context to the individual interview sessions.

"Case study interviews are of an open-ended nature, in which you can ask key respondents about the facts of a matter as well as their opinions about events" (Yin, 2003, pg. 90). Following the general construct of value creation as framed by Doz & Hamel (1998), the interviews in this study began with general questions about the organizational partner and what it hoped to achieve from the partnership, trying to focus on the overall research question of value created by the partnership. The researcher used a conversational style while eliciting in-depth information about the partnership experience. Interviews explored how participants experienced the partnership, while particular focus on specific perceptions of value or benefit that the partnership relationship created for their respective organization. Specific areas covered included: understanding each other's mission, vision and goals, both as separate institutions and as part of the partnership; the contributions that each partner made; and how benefits, both tangible and intangible, were measured.

The first round of interviews was conducted in October and November 2004. Each interview lasted approximately 60 to 90 minutes and was held in the offices of the respondent's organization when possible. The interviews were recorded electronically using both analog and digital recording devices and the researcher took written notes. Electronic recordings were transcribed and analyzed using open coding and axial coding methods for generating theoretical principles. The use of the researcher's tacit knowledge was required in addressing the nuances of study participant's perceptions of value creation, negotiating meaning, and interpreting recollections about partnership creation. Second-round interviews in Phase four were shorter in length, conducted by phone and also recorded using both digital and analog recording devices. The researcher took written notes as well.

Interview recordings and transcripts of the 61 interviews are stored in three locations: the researcher's computer hard drive, CD Rom back up copies in a locked cabinet in the researcher's work office, and original audio cassettes and CD-Rom copies in the researcher's home office. There are no individual names attached to the data files; a separate listing of participants and their associated interview codes are kept on the researcher's hard drive with a back up copy in her office.

Coding and Analysis

Data analysis in qualitative inquiry is a *process of doing* rather than an off the shelf procedure (Creswell, 1998). Miles and Huberman (1994) liken it to a choreography which is illustrated well in Creswell's Data Analysis Spiral (1998, pg. 143). Data analysis is a process of collection, organization, management, reflection, categorizing, classifying and so forth, in order to reach the point of giving an accurate account of the data. Naturalistic inquiry follows a structured and rigorous process of analyzing data and striving for a systematic approach, thus reducing some of the traditional criticisms of the full range of qualitative methods (Denzin & Lincoln, 1998; Patton, 2002, pg. 488).

After the first round of interviews were conducted, recordings were transcribed and assigned an identifying code using the initials of the organization, a number corresponding to the sequence of the interview schedule, and an abbreviation as to which role the participant played in the partnership. Transcripts were imported into qualitative data analysis software and coded prior to the second set of interviews. Transcripts were coded initially line by line using open coding and assigned *in vivo* codes from the respondent's answers. The same process was used for the second round of interview transcripts and the letter "b" was added to their interview code to designate the second interview with that participant.

The second level of transcript analysis used pattern coding, taking units that emerged in open coding and grouping them together with similar units and assigning a rule for their classification (Creswell, 1998; Lincoln & Guba, 1985; Miles & Huberman, 1994). Meetings with a team of qualitative analysts were held to review transcripts, assign coding and discuss emerging themes. Regular meetings were held with a research auditor to review the data analysis process and discuss case reporting formats. Major themes that emerged from the categories determined the case reporting structure and were used for cross-case analysis. Prior to publication, all organization names, participant names and other identifying information were replaced with pseudonyms to ensure anonymity.

Written Assessment of Validity and Trustworthiness of the Study

Criteria for validity and trustworthiness in naturalistic inquiry are still debated. Many qualitative researchers try to find qualitative equivalents that parallel traditional quantitative approaches to validity (Creswell, 1998; Patton, 2002). Writers such as Lincoln and Guba (1985) refuse to use positivist terms that do not fit well with naturalistic axioms. Creswell (1998) uses verification rather than validity. This study followed the measures laid out by Lincoln and Guba: Credibility, Transferability, Dependability and Confirmability.

Steps that were taken to ensure trustworthiness in the research included: triangulation, clarifying through member checks (corresponding to credibility), thick description (corresponding to transferability), audit trails (for dependability) and triangulation and practicing reflexivity (for confirmability).

Researcher Bias

The researcher in this study has six years of professional experience in creating and managing organizational partnerships between an academic institution and international NGOs. It was this experience that fueled interest in the research topic. With this experience, however, comes some bias towards the value and challenges that organizational partnerships represent. Some of those biases are that: (a) partnerships do create value; (b) senior leaders tend to focus more on partnership design than relationship maintenance; and (c) most partnership challenges center around resources and resource allocation.

Because of the potential bias that the researcher's experiences with partnerships of this nature and the context of both types of organizations might create, steps were taken to minimize bias in data collection, interpretation and reporting, such as keeping a reflexive journal. The research project included not only organizations in other geographic cultures but partnership teams comprised of multiple cultures. The researcher is both experienced and educated in skills dealing with cross-cultural professional relationships. In addition, multiple cultural informants were available for perception checks throughout the study.

Triangulation

Triangulation means using multiple data sources and methods to confirm each item of information. This study collected documents regarding each of the three partnerships and compared participant responses to the documentation provided and the responses of other participants.

Member Checking

This process entailed verifying unclear perceptions and information gathered during the data collection phase with the individuals that supplied the data, allowing for participants to judge the accuracy and credibility of the account. This was a continuous part of the research process.

Thick Description

The case study reporting method provided the thick description that was necessary for judgments of transferability. Thick description is detailed information that takes the reader into the setting of the study. It is an effective vehicle for demonstrating the interplay between inquirer and respondent (Creswell, 1998). In this study, thick description was supplied by the multi-case study report.

Audit Trails

This procedure entailed providing a detailed description of the procedures employed and researcher perspective at each point. A reflexive journal was kept for the duration of the research project.

Limitations of the Study

Limitations are common in research of naturally occurring phenomena in which the researcher relies on the perceptions of study participants. The foreseeable limitations to this study and plans for addressing them are described below.

The validity and reliability for qualitative data may have been impacted by the interaction between the researcher and study participants. In this study, the researcher could have been considered a member of a competing academic organization and therefore affect the information/perceptions provided by study participants and/or limit their willingness to provide sensitive information about their own or the partnering organization. Careful consideration of this point was given when selecting partnership cases in an attempt to minimize the "competition" factor. Initial interviews to establish the organization as a data source were sensitive to hesitancy or other barriers. Assurances were provided regarding the use and confidentiality of the data provided and the intentions and motivations of the researcher. Additionally, the requirements of participating organizations were clearly stated in initial screening interviews, outlining both the time commitment and documentation necessary for participation.

A second challenge was that of studying historical perceptions by means of recollection. This study relied predominantly on in-depth interviews and therefore may be limited to the study participant's ability and willingness to recall how their perception of value changed over time in the partnership or to link past activities with value creation in the partnership. This issue was minimized with cross validation of participants' perceptions with other interviews and other data sources.

A potential outcome of the research is the possible enhancement of partner participation in the partnerships being studied. These organizations, like many others in the non-profit sector, often lack the time to step back and look comprehensively at the work they are doing together. It is the researcher's hope that the process of being researched might provide the opportunity for the organizations to see benefits they have not considered in the past and issues they may not have noticed.

CHAPTER 4: CASE STUDY REPORTS

Research Reporting Overview

The purpose of this research is to examine how non-profit organizations create value from partnerships, specifically, partnerships between academic institutions and international non-governmental organizations (NGOs). I use the term "value creation" to mean the value each organization gains directly from the project they do together, and I use the term "value capture" as what the organizations gain indirectly, what one participant in this study called "serendipitous spin-offs" that accrue to either organization, because of the work they've done together. This study will explore the following key questions: How do non-profit partners create value for their respective organizations in what they do together? How do they create value for their individual organizations separate from the partnership outcomes? What are the experiences of the partnership designers and managers that lead to perceptions as to whether the relationship creates value for their respective organizations? How do they measure the value created?

Three organizational partnerships were selected based on the following criteria: (1) The partnership was a relationship between an academic institution and international NGO; (2) The partnership had an existing formal contractual arrangement between the two organizations; (3) The organizations involved had been in partnership for at least three years; (4) The partnership's purpose was capacity building for the NGO; and (5). Members of both organizations in the partnership expressed a willingness to participate in the research. Each partnership is presented in this chapter as an individual case.

Representatives from the organizations were interviewed eighteen months apart using a semi-structured interview guide that explored how the partnership created value for their organization. The key themes that emerged were triangulated by their colleagues' responses and partnership documents. Each case is written chronologically, with responses from the first round of interviews presented early in the case, followed by data from the second round of interviews discussing partnership updates and changes to the relationship at the end of the case. For both periods of time, repeated responses from the interviews are summarized as findings and illustrated using one or two quotes that best exemplify the overall responses. Any significant contrasting views are also given, with an illustrative quote.

Because the study is focused on the perceptions of the stakeholders in an organizational relationship, the interviews are the primary source of data for the cases. Partnership documentation, where available, provides a point of reference for factual data, particularly in the area of dates and major milestones in the relationship, original goals of the partnership, and decisions from meetings. Quotes from partnership documentation are given appropriate citation in the case findings. Direct quotes from participants are shown either within a sentence using quotation marks or if longer than 40 words, as a block quote just below the sentence leading to the quote. Coding assigned to respondents in each partnership is explained below.

One important aspect of the analysis is the ways that responses differ based on the roles participants played in the partnership relationship. Interviewees are thus categorized into three roles: Partnership "Designers," those who designed and negotiated the partnership; "Bridges," those who were part of the initial partnership creation and continued with it to implement and manage the project; and "Managers," those who were brought in to handle functions for the partnership after it was created and were entrusted with achieving the original objectives. For the purposes of reporting interview quotes, individuals are identified by role. Quotes from transcripts will indicate which organization the respondent worked for and their role in the partnership, for example a manager from University Department 1 would be listed as “UD 1 Manager”, a manager from Non-Governmental Organization 1 would be listed as “NGO 1 Manager.” Since university departments are part of a larger university structure which may impact the partnership, the larger university structure will be referenced as “University 1, 2 or 3.” There was no single department within University 2 overseeing the partnership, therefore, participants from that university will be referenced by “University 2” and their respective role. In some cases, more than one individual in the same role in an organization was interviewed. Individuals within the same role in an organization are not differentiated. Chapter five will discuss important themes that emerged across cases as well as any themes that emerged from the analysis of roles participants played in the relationships.

Case #1: University Department 1 – NGO 1 Partnership Case

Partnership Overview Statement

University Department 1 (UD 1) at University 1 and NGO 1 created a partnership to pilot micro savings programs in communities where NGO 1 is working, as well as other communities around the world. UD 1 provided expertise and research in microfinance models to NGO 1 communities for the purpose of testing and analyzing these models. NGO 1 does not have a microfinance division and depended on UD 1 to provide expertise and staff training in this area. In return NGO 1 provided the infrastructure and logistics for these pilot programs to be carried out.

Partnership History

The Director of UD 1 and President of NGO 1 began a partnership in 1998 because of a foundation leader who was familiar with the work of both organizations and had the desire to see a small scale microfinance model developed. The donor provided the initial funding to UD 1 to develop the model and facilitated the connection to NGO 1, which was working in overseas communities where the model's effectiveness could be studied.

Both parties were convinced, based on past experience with larger microfinance banking projects, that what was really needed in these communities was a small savings and lending model that churches and missionaries could implement, that required no external funding resources, and that integrated biblical teaching of discipleship and caring for one another in the community. UD 1 developed the model with input from subject matter experts at NGO 1. NGO 1 provided UD 1 their organizational infrastructure to hire local staff in select communities, administer payroll and other employment benefits, and handle visa issues.

Changes within NGO 1 led to the secondment of two of their subject matter experts to UD 1. These transfers initially caused conflict between the two organizations, which will be described later in this case. Eventually, however, these relationship "bridges" became critical to the on-going management of this partnership relationship.

Alignment of Organizations' Mission and Goals

Goals of Each Organization and Compatibility of Goals

One of the strengths of the partnership between UD 1 and NGO 1 was their shared vision of what they hoped to achieve together in the communities in which they worked. Though they may have achieved their results through different functions, their goals were the same. A UD 1 Bridge described the relationship in these terms: "You couldn't probably create two organizations separately and have them closer as to what they fully think should be done [in communities] than these two organizations."

The UD 1 at University 1 exists to “enable the church to minister in word and deed, including in the areas of economic health of its communities” (UD 1 Bridge). In practical terms, UD 1 provides small-scale, local church-based economic development training to communities both in the United States and internationally. NGO 1 colleagues agreed that UD 1 used a church-based approach for meeting both the community’s and the church members’ economic development needs. Additionally, they noted that UD 1 provided a place to train interns.

NGO 1 is a Christian mission and development agency with projects in over 30 countries, which is focused on achieving its “Community Plan” through the following objectives:

> The first objective is that there be a local church in that community that increasingly reaches out to help the community with both spiritual and physical needs. A second objective is that there would be leaders that increasingly are able to solve their own [community’s] problems. And third that we would see families who are increasingly meeting each other’s needs (NGO 1 Designer).

UD 1 colleagues understood this “Community Plan” to be the central goal of NGO 1.

Though the organizations differed in their breadth of focus in practical work, both agreed that the organizations were highly compatible in terms of organizational goals. One NGO 1 manager expressed how “complementary” NGO 1 and UD 1 were in their areas of expertise, and did not have a great deal of overlap.

Strategic Goals of the Partnership

Four primary partnership goals emerged from the interviews with the two organizations. First was the development of a model by UD 1. The participants viewed this as a small-scale model for microfinance that would be used by churches in communities where NGO 1 operates, as well as other churches and communities where NGO 1 staff were not present. The need for this model arose in response to NGO 1's history of projects with large scale microfinance institutions that proved unsustainable or did not help the poorest of the poor in their communities, as explained by a NGO 1 Designer:

> … the conventional wisdom with Micro Enterprise is that if you give out a loan that recycles, and it's not like giving a grant where you can lose the money but it's capital that keeps recycling but, in reality what happens is that people who receive loans desire greater and greater loans so they actually develop an appetite, if you will, and the loan fund gets larger and larger, and eventually you need to spin it off into a separate organization and it becomes a very complex system… a complex system that even creates financial risk for [NGO 1], … but that wasn't the model that we wanted. Also, as that bank grows it gets further and further removed from the poor and you end up benefiting the middle class a lot more than the poor. So, both of those trends were things that we wanted to avoid and we felt like what UD 1 was offering was a model that would keep us focused on the target group that we really wanted to help which was the neediest group.

The second primary goal that emerged from the interviews was that UD 1 model would be replicable throughout many NGO 1 communities and regions, as summarized by the NGO 1 Designer:

> I think that what [UD 1] was looking for is partners who were willing to replicate the model that they've come up with, and I don't think it's [UD 1's] attempt to be operational everywhere and probably, ideally, they would like to see just an organization take and run with what they've created. So, I think that's what [NGO 1] brings.

Two UD 1 Bridges also described this goal in the following ways: "they're really looking more for a model that would work in the majority of the programs," and "to identify [microenterprise development] strategies that [NGO 1] can use… in different fields in the furtherance of their community objectives." However, no plan was discussed as to how replication would occur or who would be responsible for it, an issue discussed later in this case.

The third primary goal was that the partnership would allow UD 1 to provide technical assistance to NGO 1 communities in implementing this model. In practical terms, this technical assistance started with two pilot programs in NGO 1 communities that enabled UD 1 staff to train NGO 1 staff to implement the microfinance project, collect data and judge its effectiveness as a sustainable microfinance program that the church could implement. A UD 1 Bridge explained:

> They don't have an implementer. It's hard to be an implementer off of designer models. I'm not sure there's enough funding for that and that is not who [NGO 1] is and so their benefit is [UD 1] could say 'could you produce a model that works for our context'….. So, they looked at us as, in essence, to be their technical assistance arm on model development and helping implement.

The fourth primary goal was that the organizations would see an impact in the communities, specifically churches in the communities. UD 1 wanted to work in communities so they could "encourage the church and community." NGO 1 envisioned the project furthering their organizational goal of "equipping people about God's plan for them."

How Partnerships Created Value for the Organizations Involved

The perception of value that a partnership creates for an organization is interwoven with the expectations and definitions of success for that relationship. Having identified primary goals of the relationship, in this section I will examine the value created in the relationship, how the organizations assessed the value created, and if and how the partnership met the original goals.

Value Creation and Assessment for University Department 1

Table 4.1 summarizes the goals of the partnership, the value that UD 1 believed it created for their organization and the ways in which UD 1 measured that value.

Table 4.1 – University Department 1 Perceptions of Value in Relation to Goals

Goals	Value Created	Value Measured
Model development and piloting	Established relationships in pilot communities	Number of people trained in the microfinance model
Model replicability	Organizational infrastructure NGO 1 provided	Distribution of training materials
Technical assistance for NGO 1	Practical training pilots provided	*not specified*
Community impact	*not specified*	Too difficult to measure

Value creation. UD 1 believed that the partnership with NGO 1 created value for their organization in three primary ways. First, NGO 1 provided established community relationships, including relationships with local churches, where pilot projects could be carried out. A UD 1 Bridge explained, “[NGO 1] got us an identity in communities that we wouldn’t have had otherwise.” A UD 1 Manager commented that the partnership allowed them access to communities “where [NGO 1] has already developed a presence. Or that they’ve been working for awhile already and that people already respect them because of what [NGO 1] has been doing.”

Second, NGO 1 provided the organizational infrastructure within which UD 1 could hire local staff to run the pilot programs, including payroll functions and a staff benefits package. “They can provide logistical support, provide insurance, provide visas, legal identity for our pilot people in the field” (UD 1 Bridge).

Third, NGO 1 communities provided UD 1 with practical training ground to test their small scale microfinance model and glean results over an extended period of time for the continuous enhancement of the model, as explained by a UD 1 Bridge. “Without those field pilots we wouldn’t have very much creditability ….You have to have your hands in the dirt…. they give us the field to do the pilots in. They enable us to put some of our people into it."

Based on their understanding of UD 1 goals, NGO 1 colleagues agreed that this was the value that the partnership created for UD 1. They also believed that the ability to work with an organization that shared its values, such as NGO 1, was also beneficial, as explained by a NGO 1 Bridge: "One is an organization with whom they share values, core values. And culture. I think culture is more than just values. It's the way you see things and do things. Kind of walk with the same gait."

Value capture. In addition to the tangible benefits of community presence and infrastructure, the pilot programs provided UD 1 staff credibility which brought new opportunities with other NGOs. Since beginning the partnership with NGO 1, UD 1 has engaged in consulting and training with another major international NGO after honing the model through the NGO 1 partnership. Additionally, UD 1 created and delivered a number of microfinance training events because of their experiences with these pilots. The UD 1 Designer commented:

> Do I think that [this other NGO] has been more interested in talking to us and that we've had more credibility with them because we're actually doing pilots? There's no question that the answer is yes. So [NGO 1] because of their willingness to take risk on us has given us the chance to get our hands dirty but also to develop credibility with other people, both [this other NGO] yes, [NGO 3], we've not worked with [NGO 3] at the upper echelons but, boy, other people at [NGO 3] we've trained who are, and I think the fact that we have our hands dirty and has given us credibility with that.

Partnering: Worth the effort. UD 1 staff believed that working in partnership with NGO 1 to accomplish these microfinance pilots was preferable to working alone because of the established presence of NGO 1 in the communities and the established infrastructure they provided. One UD 1 Bridged summed it up succinctly: “We couldn’t do it without them. Period.” Additionally, since both organizations had a strategy focused on local church empowerment, the way they worked together in the community was compatible. A NGO 1 manager commented:

> I think specific for [NGO 1] and [UD 1] you know the goal is the same and that is to get the church at the center of the community development. [UD 1 does this] specifically with the microfinance. So, that’s why I think it makes sense because that’s their specialty and they can come along side us we can come along side them and do much more together than either one of us can do separately.

Partnering: Assessing value. UD 1 stated two main indicators for determining the value that the partnership created: the number of people trained in the microfinance model and the distribution of training materials. They believed the community impact from their training was difficult to measure because there was no control over how or if people implement the training they receive, as explained by one UD 1 Bridge: “We can’t hold ourselves accountable to, ‘do they go do it or not’? It’s too out of our control. So all you can do in that area is share stories.” While UD 1 cited established community relationships, organizational infrastructure, practical training, credibility and new consulting projects as the value created and captured from the relationship, the things that were actually measured to assess that value were quite different.

NGO 1, however, expected UD 1to use indicators such as churches equipped, communities impacted and new opportunities for consulting as UD 1 success measures.

Value Creation and Assessment for NGO 1

Table 4.2 summarizes the goals of the partnership, the value that NGO 1 believed it created for their organization and the ways in which NGO 1 measured that value.

Table 4.2 – NGO 1 Perceptions of Value in Relation to Goals

Goals	Value Created	Value Measured
Model development and piloting	Microfinance model implemented and impacting communities	Communities saving and using money wisely
Model replicability	Potential replication	Replication of the model in other NGO 1 communities
Technical assistance for NGO 1	UD 1 expertise in MF Shared staff	*not specified*
Community impact	Potential replication	Positive impact on communities by discipleship materials

Value creation. NGO 1 believed that the partnership with UD 1 created value for their organization in four primary ways. First was their perception that the microfinance model was in fact implemented and impacting communities, as explained by one NGO 1 Manager:

> I think [UD 1] has a specific niche that is working to have microfinance and economic development happening through the churches. And, a major part of [NGO 1]'s ministry is to empower churches to reach out to their communities. So right there there's just a natural partnership.
>
> Second, was the expertise in microfinance that UD 1 staff provided:
>
> It's something that we as an organization we don't really have a big focus on but we have a big belief in. And so at least conceptually that's what we gain is the ability to work with and through them and learn from them and things like that in that specific area (NGO 1 Manager).

The third way that value was created for NGO 1 was through the ability to share staff between the two organizations, as explained by a NGO 1 Manager: "another benefit is that having, sending three people to help us implement this program. Especially with cost shouldered by them, not us."

Fourth, NGO 1 saw value created through the *potential* to replicate the model in other regions. One NGO 1 Bridge said “we wanted a model that we could easily replicate”, and the partnership Designer expressed the same desire: “[NGO 1 Designer] was just like ‘Give me something small, simple, that we can use here and here and here. That a missionary could use, that a volunteer could use.’” The NGO 1 Designer believed “it gives us a replicable model”, but that replication had not yet been fully realized: “We have not begun really a whole new phase which will be to replicate it to other countries yet.”

Based on their understanding of NGO 1 goals, UD 1 colleagues agreed that the partnership created value for NGO 1 in the ways listed above.

Value capture. In addition to the value created by the partnership, NGO 1 was able to expand their financial donor base as a result of the partnership. By offering microfinance as part of their service to communities, NGO 1 was able to present itself in a new light to their previous donors who were interested in microfinance, as explained by a NGO 1 manager:

> I think there is potential, from a fund raising standpoint, of our different donors who would like to see economic development, but we really have not developed that yet. It also creates the opportunity, I think, for future joint proposals between [UD 1] and [NGO 1] that go beyond the [initial donor] foundation, in other words, there are probably other foundations and other major donors who would be very attracted to this.

A NGO 1 Designer stated:

> I don’t think that it’s attracted new donors yet. But, I think it has the potential for that. It has however…helped the [initial donor] foundation to have a positive image toward [NGO 1], maybe see [NGO 1] in a new light. So, I think that is a very positive impact from a fundraising standpoint.

Partnering: Worth the effort. For a number of reasons, NGO 1 believed partnering with UD 1 was better than developing microfinance expertise internally. They viewed the work as complementary, with each providing something the other could not provide, without being competitive, as explained by the NGO 1 Designer:

> The thing that [NGO 1] did not really want to do is to invest in a department, in an international department to do economic development. Our core competency's more in the area of food security, and given that our resources have limits, we don't really have the money to be investing in this specialty internationally in economic development. So, another felt need that we have is to utilize the specialty that [UD 1] has. So, our desire is to partner at the sort of backstopping or technical support level also, so we don't need to reinvent the wheel and duplicate that within [NGO 1].

Additionally, NGO 1 believed that good relationships, trust, the technical expertise of UD 1 and a shared vision of church empowerment were all factors that made partnering better than trying to develop the microfinance model alone. The NGO 1 Designer summarized why he believed the partnership model worked so well:

> I do think there are a number of interdependencies that makes this work. Another thing that I think is really important that makes this work better than some of our other partnerships is that we actually have [NGO 1] people who have been seconded into [UD 1]. I think that, as I have reflected on partnership, this is a principal that I've come to learn that really makes partnerships work much better. You can have sort of, I don't know what the word for it is, it's almost implanting, maybe co-implanting or something where we implant [UD 1] with an actual person from [NGO 1] or vice versa. I think when you do that partnerships have much greater likelihood of succeeding, and I think this is a classic example. I do think there's some very practical interdependencies that we have at different levels. In other words, we have a dependency on [UD 1] for a theoretical, grassroots model; they have a dependency on us to actually implement it.

Partnering: Assessing value. NGO 1 stated the following indicators for determining the value that the partnership created: replication of the model in other NGO 1 communities, positive influence on communities by discipleship materials, and the extent to which communities were saving and using money wisely. The indicators NGO 1 used to measure value were closely aligned with the value they believed the partnership created for their organization.

UD 1 also cited several key indicators for NGO 1: replication, distribution of training materials, the extent to which the microfinance model is consistent with NGO 1's Community Plan, and the model's de-emphasis on the need for external financial resources.

Understanding and Valuing the Contributions of the Other

Functions each Organization Performed and the Changes Needed to Carry Them Out

In order for the partnership to achieve its goals, UD 1 had to create the microfinance model to be used in NGO 1 communities, as well as provide funding for the staff in those communities who implemented it and studied its effectiveness. UD 1 is located within an academic institution; therefore, with the exception of fundraising for the initiative, it did not have to make any significant structural changes to its organization or its operations in order to accommodate this partnership. UD 1 was already working on a small-scale microfinance model and the means to study its effectiveness.

NGO 1 provided the existing relationships in the community, the staff support mechanisms for payroll and other benefits, and the opportunity for possible replication of the model throughout their organization, though this replication had not yet happened by the end of the study (Partnership document: Objectives and Parameters for Development of Model, 1998). Since NGO 1 is a missionary sending agency, it had existing systems in place to provide UD 1 staff with payroll, benefits and work visas for the countries where the pilots took place. Thus, the partnership added minimal additional work to the NGO 1 team.

Overall, the two organizations had a shared understanding of the distribution of these tasks. There was confusion, however, as to which organization would be responsible for replicating the model in other NGO 1 communities and how critical replication was to either organization.

Replication: How Important is it and Who is Responsible?

While replication of the microfinance model in other NGO 1 regions was mentioned frequently by both organizations when discussing the goals of the partnership, the value that the partnership created, and the standards of measuring the value created, replication remained an elusive accomplishment and caused confusion within the partnership over how important it really was to each organization and who was responsible for making it happen. At the point of the first interviews, UD 1 did not feel that NGO 1 was overly concerned with replication, as evidenced by a UD 1 Bridge comment:

> I don't think that the [NGO 1] Designer would require that they get to the [NGO 1] Country offices [with the model] for him to consider it to be a success. Cause [his] idea is much more, my understanding with him he's much more open to [NGO 1] kind of having a role in behind the scenes in other organizations.

A UD 1 Designer similarly explained:

> NGO 1 Designer's whole focus is it's not on him, it's not on [NGO 1], 'it's all about workin' for you guys [UD 1]. What can we do to make this work better for you? What can we do differently for you? Are we being good partners to you?' His whole focus is not on how to, how this is benefiting [NGO 1], so he's not constantly parading in front of me 'if you don't get this replicated across Asia, it's going to end', he doesn't force that.

A NGO 1 Designer believed that replication was of key interest to UD 1:

> I think maybe some of the things [UD 1 gains from the partnership] would be just the strategic importance of [NGO 1]. In other words, if they invest time and effort in [NGO 1], are we really a serious player. In other words are we going to take this model and replicate it and use it in different countries….If we were an organization that only worked in one country, then that might be have little strategic value, but the fact that we work in over 30 countries, depending on how you count it, actually over 40, gives it a replicability that I think probably interests them.

That same designer expressed concern over lack of replication and NGO 1's responsibility in making it happen:

> I think the main concern … that I would have is that we lose the opportunity to make use of this and I guess perform at below our potential in terms of spreading it throughout [NGO 1] …. I don't see the burden of that concern being on [UD 1], I see it more being on us and I think our barriers, or our dilemmas, one is again the lack of resources. If we just had lots of resources we could quickly say to [UD 1], you know, we'll pay you to do this, you know, perform this service but we don't have the resources. And then secondly I just think our people are busy with many, many different things in the organization and it's a question of prioritization.

While UD 1 Designer did not feel replication was necessary or manageable for UD 1 at the first round of interviews, he did express disappointment over lack of replication during the second interview:

> I think quite frankly I'd like to see a little more, a little more connection to the top [of NGO 1's organization]. I think, I would say we've been a little bit disappointed at how little replication there's been out of these pilot projects that we are doing in cooperation with [NGO 1]. We have certainly seen many, many, many organizations take those models and use them. So the replication outside of [NGO 1] of those models has been I would say pretty strong. I don't think we're seeing the kind of replication within [NGO 1] that we were anticipating (UD 1 Designer).

Regarding who should be responsible for replication, there was confusion within NGO 1. One NGO 1 Bridge believed UD 1 would have to be the catalyst:

> Right, the second [asset] would be the success and value that the [Asian country] program can add. The replicability of the [Asian country] model, I'm just sitting here thinking we need to replicate that otherwise it's not going to go anywhere. If we can that would be really helpful in the relationship. That should happen in the [Caribbean county] as well. Ultimately they [UD 1] have to have a grassfire effect. It only happens because [UD 1] focuses a lot of time and attention and resources on something.

However, a NGO 1 Designer had a slightly different understanding of who needed to be the catalyst:

> They [UD 1] plant models within [NGO 1], I'm not sure that any organization should expect them to do more than that. So I think the ball is really in our court and probably the reason it has not been replicated is because, because we have multiple, it's sort of like the committee approach and we don't have a single champion within the organization that's promoting replication right at the moment.

The issue of replication remains unresolved. The relationship between the organizations has continued but is now focused on new projects together. Without initial planning to accomplish the goal of replication or a significant catalyst to implement a replication strategy in other NGO 1 communities, the organizations run the risk of losing their investment of time and resources spent creating a sustainable microfinance model.

Financial Arrangements

UD 1 was responsible for the salaries of those staff serving their pilot programs, though the funds were paid through the NGO 1. UD 1 was also responsible for the travel and other costs associated with regular visits to the pilots by their U.S. staff (Partnership document: Objectives and Parameters for Development of Model, 1998). Any additional training that UD 1 provided other regions within NGO 1, however, was at the expense of NGO 1. Additionally, UD 1 earned a revenue stream through annual training events for their microfinance model, to which NGO 1 sent staff on a regular basis.

Relationship Management

Previous Relationship Between the Organizations

Three of the staff members at UD 1 were formerly employed by NGO 1. One transferred to UD 1 prior to the start of the formal partnership but provided input on the partnership design and was part of managing the relationship and the field pilots. The other two transferred to UD 1 after the partnership began but were also part of the partnership design and later managed the relationship for UD 1. Throughout the interviews, these existing relationships were cited as positive aspects of the partnership. The director of UD 1 believed these staff transfers had caused tension early in the partnership; however, these sentiments did not emerge from the NGO 1 participants.

Frequency of Meetings and Communication

Though contradictory to the literature on partnerships, the relationship proceeded with minimal formalized communication between the two organizations. Most managers in each organization stated that the stakeholders met only “as paths crossed” at various events or during travel to various regions. Some of this can be attributed to the realities of the relationship – there was no single person at NGO 1 that UD 1 met with in order to continue their pilots and associated research. In fact, numerous staff at both organizations commented that UD 1 had to connect with an increasing number of people within NGO 1 in order to expand the partnership because “there is no single stakeholder” (NGO 1 Bridge) and “there is no single champion for microfinance” (NGO 1 Designer). This concern was raised by UD 1 Designer when he said “there’s no one to talk with at [NGO 1] anymore.”

At the local community level where the pilot programs took place, however, the staff members overseeing UD 1 pilots were intentional about immersion into the communities. They attended regular NGO 1 staff meetings and socialized with staff in those regions.

Areas of Tension

Most organizational partnerships experience points of tension as each organization learns how to work with the other and manage the expectations of their partner. UD 1 indicated that NGO 1 leadership was briefly unhappy with the transfer of two NGO 1 staff (one paid, one volunteer) to UD 1. The paid staff member was a training expert that, after consulting with UD 1 on the partnership, believed he was called to serve full-time at UD 1. A UD 1 designer describes the tension this way:

> So then, one thing led to another…Probably about six to eight months after that meeting I was really thinking that we really need [UD 1 Bridge] here for all kinds of reasons, and I didn’t know how to approach that with him and he called me one

> day…and discussed a number of different things…and in the middle of that conservation he said, '[UD 1 Designer], I kind of broached this subject with you when we were with you, and I just want you to know that I'm thinking about it heavily' and, and I said, 'Funny you should mention that because I was thinking about that today.'... So imagine [NGO 1 Designer], a major shakeup in your present organization, you need to build trust, and you love [UD 1 Bridge], and you find out that you sent him out to help [UD 1] for a day and [UD 1] stole him from you. He was pretty upset. It got back to me that… [UD 1 Bridge] said he was pretty upset and I immediately shot off a letter to [NGO 1 Designer] and said, 'hey look, this is how it happened', and he responded very graciously and came back in about a week and said 'I can understand how it happened, it makes sense, but it was just hard.' I don't think there are any hard feelings there at all.

The second situation that produced some conflict involved a seconded volunteer staff member that NGO 1 was grooming for a potential country director role. This person felt his future was in microfinance and since NGO 1 did not have such a division, he chose to work with UD 1 rather than take a significant position of leadership within NGO 1. He also believed his age and stage of his career required he stay in a hands-on role for a few more years. According to UD 1:

> [UD 1 Manager] was working for NGO 1 in Bolivia and NGO 1 Designer was a rising star, and they wanted a Country Director. [UD 1 Bridge] had trained [UD 1 Manager] and kept a relationship with [UD 1 Manager] and [UD 1 Manager] was interested in learning more about microenterprise development, cause he was learning about it, and asked [NGO 1] and he was interested in working in a grass roots level, but didn't want to be a paper-shuffler he was like, 'I'm still young, I don't want to be stuck in an office yet, I want to get out in the field', so he looked at this for a way to accomplish all those things, but imagine you're the Country Director for the region throughout Latin America thinking 'our best guy who works in Bolivia just got hijacked' (UD 1 Bridge).

NGO 1 had a similar description of the situation:

> That was a difficult situation in the partnership because [NGO 1] felt like we invested in [UD 1 Manager], we wanted him to stay in [NGO 1]. We were concerned, that, that, I don't want to use the term sheep stealing but we were concerned that he was being recruited away from us. But, I think in the end we worked through it and I think now [UD 1 Bridge] and [an NGO 1 Regional VP] have a good relationship and there's no burnt bridges over that and it's been resolved where we're happy that [UD 1 Manager] chose what he wanted to do. He wanted [microenterprise development]

> and [NGO 1] couldn't provide that to him so in a sense it's his choice of where he wants to go and I think good relationships have been reestablished and there's been good reconciliation over that as far as I know (NGO 1 Designer).

Both matters were handled with a few clarifying conversations between the leaders of the organizations. While UD 1 Designer believed this was a tension point with the NGO 1 Designer, the latter saw it as a positive development:

> The good thing that helped is the fact that some of their [UD 1] staff had previously worked with [NGO 1], so [the UD 1 Bridges], they're very aware what [NGO 1] desires so its not only a strategic fit, but there's a relational fit in terms of staffing.

Given the frequency with which "relationships" and "trust" were mentioned throughout the interviews, it appears that these personal ties aided the organizations through the periods of tension.

Vision for the Future of the Partnership

Both organizations expressed concerns and hope for the future relationship.

Concerns. The concerns focused on people and changes. If the original designers were to leave their respective organizations and if the "major players" were no longer involved, then there would be no one around to see that replication occurs. Concern was also raised about one of the NGO 1 Designer's relocation to the NGO's international headquarters in an Asian country and what that might do to his attention to and connectedness with the partnership. One respondent from NGO 1 believed that the organizations needed to recommit to their memorandum of understanding, otherwise "it [the partnership] risks drifting."

> Right now it's a fairly fluid thing that's happening, supposed to be happening, at the regional level with the International Office pretty much unaware of even what's going on at that point. The International Office talking about here although the Regional Directors are part of the International Office so in that sense they do represent the International Office. There's no one over them who's is really sort of involved in

> brokering anything at this point. So I guess it's being decentralized down to the regional level and given the fact it's a small percentage of what we do organizationally. The International Office above that level sees no need at this point to manage it (NGO 1 Designer).

Hopes. When commenting on the things occurring in the relationship that gave them hope for the future, one repeated response was the familial relationship between the organizations. A NGO 1 Manager characterized the relationship:

> Like siblings that grew up together and then moved to other parts of the world, they're always siblings and they'll always will be and they'll always connect when ever they meet and they can pick up on day one and probably partner again in another way five years from now.
>
> Similarly, a UD 1 Bridge stated:
>
> He's [NGO 1 Designer] got this concept that NGO 1 is kind of like this family. Once you're part of it you never quite get kicked out of the family. And, so we actually show up, [UD 1does], of course organizational charts get redrawn every three days but in a number of versions [UD 1] actually is on their organizational charts as part of [NGO 1].

Other issues mentioned were the deep commitment beyond the partnership functions, loyalty, the fact that the partnership was meeting its objectives and the field pilots were successful, the microfinance model was helping NGO 1 achieve its Community Plan and the two organization's work was complementary, not competitive. As one UD 1 Bridge stated "this is a classic example of a partnership that is based on vision and relationships."

Partnership Status Eighteen Months Later

Eighteen months after the first interviews, a second round of interviews was conducted with the same participants and any new participants in these relationships to find out the status of the partnership, changes that had occurred and how the relationship between the organizations was being managed.

Partnership Strength Indicators

All but one of the participants in the organizations believed the partnership was still continuing. The one that hesitated believed it had become less formal but was still in operation. All but two of the participants from both NGO 1 and UD 1 believed the partnership was stronger. The two exceptions were the primary designers of the relationship from each organization. Both designers were hesitant to say that it had gotten stronger but did agree that the relationship continued.

After being asked what indicators they used to form their opinions about the strength of the partnership, the two designers who believed it had just maintained its original level of strength noted that they had less communication with each other. The UD 1 Designer indicated that as the number of people to connect with grew, it made it more difficult for him to be able to tell if they were having any impact on the NGO because the dialogue with the designer of the partnership from the NGO had decreased.

> Again we're interfacing with all kinds of different people in this larger organization and all kinds of different touching points… it's hard to know where you fit you know and again I would say that right now… I would say that [NGO 1] is providing all kinds of points for us to, that are helpful for us to accomplish our work. That would be a way of summarizing it. They're providing vehicles and mechanisms for us to get various pieces of our work done… I would not say that we're having a major impact on [NGO 1] as an organization right now. We are using them and I would not say that our models are transforming what [NGO 1] is doing. I wouldn't say that I would be able to tell you what great things we're accomplishing for them at the moment (UD 1 Designer).

The NGO 1 Designer acknowledged organizational changes and their impact on UD 1 connections:

> Basically what's happening at [NGO 1] is that we continue to rapidly grow in terms of number of fields but more in managerial style of decentralization which makes the link between [UD 1] increasingly at a decentralized level. So, you know their [UD 1] link is primarily with, directly with the field and also with you know Regional Vice

> Presidents, which makes their link with the International Office increasingly distant… I don't think it's a huge difference to be honest than it was in October of 2003. But, I think it kind of cements it if you will you know that it's really incumbent on them [UD 1] to maintain those relationships with our Regional VP's and there's not a single person that they can go to really to maintain the relationship.

Interestingly, some believed that their involvement in the relationship had grown, either because of the original pilot projects they did together or some new initiative. They believed the partnership had gained strength due to new initiatives they have started together and the increased number of people connecting between the organizations.

> Yes! That [project] was initiated by you know [NGO 1 Bridge] calling me about something else, a Country Director position he was trying to fill and then we just kept talking and that conversation unfolded….. we're here for [NGO 1 when you want us and the last couple of years that hasn't, initially there wasn't like this wave of [NGO 1] staff, field staff coming and getting training from us, a few here and there. But it seems now over the last six months in particular just a growing connectedness of them coming to us and saying you know we want to take advantage of your services (UD 1 Bridge).

One NGO 1 Designer commented:

> So really in a sense what's happening now is that although the original agreement was [NGO 1 International], [NGO 1 International] and [UD 1], it now has branched off into [NGO 1 US] and [UD 1] as another relational agreement that we've set up.

Changes Since Original Interviews

Changes in partnership project. The two UD 1-NGO 1 pilot programs for the microfinance model had continued in an Asian country and a Caribbean country. No additional replication had occurred within NGO 1 communities, but it was being replicated with non-NGO 1 churches at both sites, much to the satisfaction of the NGO 1 Manager overseeing that site:

> I think they are already doing and I'm happy that they have been reaching out to various churches. For example, not only where we are, but I have seen in their reports that they have reaching to other areas, where [NGO 1] is not working.

During the eighteen months between interviews, NGO 1 experienced a number of organizational transitions. NGO 1 International, the initiator of the partnership with UD 1, relocated its international headquarters from the United States to an Asian country. The move relocated the original designer and champion of the partnership, the President of NGO 1 International. In addition, NGO 1 decentralized its structure, moving more projects and decision making out to the national organizations that raise funds for projects. Additionally, a new Vice President was established for each geographic region, which increased the number of people UD 1 had to interact with in order to have the microfinance model replicated in other countries. Many of the vice presidents were new in their roles and were not aware of the work being done by UD 1 and NGO 1 in the pilot sites.

New staff members were also involved at UD 1. Hiring a new administrative director at UD 1 improved their administrative procedures and removed many administrative burdens from UD 1 Bridge. One partnership function specifically improved by this change was the processing of interns between the university and NGO 1.

New opportunities for the partnership. In response to the Tsunami that hit five coastal regions in Asia in December of 2004, NGO 1 engaged in numerous projects and services to help rebuild destroyed communities in the affected countries. One of those projects was Business Rehabilitation Services to help small business owners re-establish their livelihood. One of the original partnership Designers from NGO 1 International relocated to NGO 1 US in Washington DC and was responsible for NGO 1 US' relief efforts for Indonesia. Because of his awareness of UD 1 expertise, he hired them as consultants to develop a business rehabilitation service model that could be deployed in Indonesia where the NGO 1 staff lacked experience in microfinance programs. The program was considered successful and hailed as a “best practices” model by the United Nations Development Program (UNDP), an accolade never before received by NGO 1. A UD 1 Bridge commented:

> I feel that we are finally being appreciated by [NGO 1] for adding much more value to their program that would flow out of the Indonesia. Sending us e-mails that say this project is a model UNDP. [NGO 1] has never had a large UNDP grant and now the UNDP is considering this a model. Other e-mails they’ve sent that just express a lot of appreciation for our office. There are [e-mails] coming from, it’s kind of weird they’re coming from the [NGO 1 US] people. Spearheading the relief and rehab efforts in Asia. Not so much from the [NGO 1 International] people, but [NGO 1 US].

A second new opportunity was with a subsidiary of NGO 1 designed to work alongside local churches “encouraging them to do seed projects, trash clean-up, building playgrounds” and other community development initiatives that don’t rely on external resources. A new area they wanted to expand was microfinance. The UD 1 Designer and Managers met with the leaders of the NGO 1 subsidiary to discuss areas of collaboration and how the microfinance model could serve these communities. The UD 1 Designer also attended a NGO 1 subsidiary conference in Uganda and after hearing testimonies from community members of the impact took the initiative to write to a number of foundations he had relationships with to recommend the initiative. This resulted in significant funding for NGO 1 for this work, as described by a NGO 1 Manager:

> You know he was impressed enough that when he completed that he wrote on his own initiative letters to foundations that he knew and had a relationship with that he thought would be interested in funding this. And that opened the door for us you know in remarkable ways. So that was a huge benefit and, what can I say it was a huge encouragement you know as well, that he would do that.

UD 1 viewed this initiative as a way of networking and getting their training materials out to a greater number of communities and churches, as explained by UD 1 Designer:

> So perhaps a year after they've been in a place some of the people there might be saying well we'd like to something like microenterprise development and then the NGO 1 subsidiary group would say 'well here's some people who we have confidence in who can come in and train.' So we're looking at this as a good opportunity for networking and for getting our training out to the kinds of people we want to get it out to.

New opportunities for each organization. In addition to new collaborative ventures, UD 1 had a number of new opportunities emerge because of their work in the NGO 1 pilots. A university in Uganda and the microfinance division of an NGO associated with a major Christian denomination in Africa, requested that UD 1 staff members implement microfinance workshops in Uganda. Discussions also included the possibility of this Ugandan university and this NGO establishing a pilot project site in Africa for UD 1.

Additionally, UD 1 was able to incorporate the lessons and data from the Tsunami relief work in business rehabilitation into UD 1 campus classes in community development.

> That was a big opportunity, it really helped in our on campus class too because we connected our students here directly to it in my research methods lessons. They actually did some data analysis of surveys of 30 entrepreneurs in one of the regions during class (UD 1 Bridge).

Changes in staff involvement. Of the 10 staff originally interviewed, six had changed roles within their organizations or relocated their offices between the times of the two sets of interviews. Those that changed roles, however, continued their involvement in the partnership either through the microfinance pilots or new projects that emerged. When discussing new projects, the participants cited the existing relationship as the reason they connected with UD 1 staff for the new work. One example was explained by UD 1 Bridge:

> In the case of [NGO 1 US] we are establishing a relationship with them that is not, well [NGO 1] International definitely … encouraged [NGO 1 US] to 'talk to the [UD 1] guys' …. so you know it's just as with any organization interaction over time if it's going well it gets broader. And to broader and is less dependent on any one person or any one sub set of an organization.

Another example was provided by a different UD 1 Bridge:

> [NGO 1 Designer] was the person in their Washington office and he contacted [UD 1 Bridge]directly to get it started. So [UD 1 Bridge] you know is the link to [NGO 1] International of that experience. Which were probably built on some degree of trust that as we've survived so far maybe were not that bad of an organization, maybe some of our ideas are ok. So they did come to us for a new initiative and that was encouraging to me!

These changes in roles, however, did not impact the perception of partnership strength; these staff still perceived the partnership to be strong with potential for future expansion. In fact, a NGO 1 Designer who did not feel the partnership was strong at the point of the original interviews changed his perspective as a result of his own increased involvement with UD 1 team and perceived the partnership to be much stronger at the time of the second interview.

> Actually when we spoke two years ago I thought it [the partnership] was dead in the water, I didn't think there would actually be really anything that would happen between the two organizations. But the Tsunami in Indonesia brought about an opportunity for us to partner together in a viable way. ….Yes, I didn't think I was going to have any kind of a role or relationship because I moved out of [NGO 1 International] and moved to [NGO 1 US] but you know the Tsunami kind of changed everything and I was given the responsibility to start a program there and then I got back in touch with [UD 1 Bridge] and so the relationship was renewed primarily because of a change in responsibility for me and then I was all of a sudden needed to create a program in Indonesia and small business recovery was a big piece of that and so I went back to [UD 1] for their expertise and it actually worked out very well.

In response to the changes within NGO 1, most of the partnership participants were confused about what involvement their colleagues still had in the relationship. One NGO 1 Designer believed the "[NGO 1 Bridge], I don't think, has done anything with [UD 1], nor has [NGO 1 Manager]," when in fact, the NGO 1 Bridge felt his involvement had increased due to his new role, and the NGO 1 Manager felt his involvement with UD 1 had increased due to growth in his area of work with UD 1. This same NGO 1 Designer also believed the other NGO 1 Designer had not been in contact with UD 1 since 2003, commenting that "there really hasn't been a viable connection with [UD 1] since October '03", when in fact, there were a number of new initiatives that the organizations had worked on together.

The NGO 1 Bridge was unaware that one of the NGO 1 Designers had any interaction with UD 1: "There's no relationship of [NGO 1 Designer] with [UD 1]." In reality, that Designer believed his involvement had dramatically increased since the first round of interviews. These misunderstandings did not cause any relational problems with UD 1; however, they were indicative of the challenges UD 1 faced when knowing who to connect with regarding the original partnership goals and especially the goal of replicating the microfinance work throughout NGO 1 communities.

Vision for the Future of the Partnership

Participants shared their concerns and hopes for the future of the partnership at both interviews, eighteen months apart. Table 4.3 summarizes the comparison between those views and what concerns and hopes remain for the future.

Table 4.3 – Comparison of Indicators on the Future of the Partnership

Concerns/Hopes	University Department 1	NGO 1
Original Concerns	If the original stakeholders were to leave the organizations NGO 1 Designer's relocation to new international headquarters	Renewed commitment to Memorandum of Understanding (MOU) was needed
New Concerns	UD 1 funding Expectation of NGO 1 to increase field staff pay NGO 1 restructuring	UD 1 Funding Possible loss of new UD 1 Admin Director UD 1's ability to increase field staff pay Due to NGO 1 restructuring, UD 1

Concerns/Hopes	University Department 1	NGO 1
		needed to connect with line management in NGO 1
Original Hopes	Familial relationship with NGO 1 team Deep commitment beyond the partnership Loyalty Successful field pilots Was helping NGO 1 achieve its Community Plan	Relationships, affection for each other Partnership was meeting objectives Successful field pilots Was helping NGO 1 achieve its Community Plan Work of the two organizations was complimentary
New Hopes	Partnership expansion to new projects Original stakeholders stayed connected Strong relationships with each other	Partnership expansion to new projects Original stakeholders stayed connected Strong relationships with each other

New Concerns

Concern over UD 1 funding. University 1 has experienced some financial difficulties and is now looking at UD 1 as one area that may need to be cut or reduced. "That [college financial issue] stimulated budget cutting pressures which stimulated the threat of a 50% budget cut of [UD 1]" (UD 1 Bridge). The new leadership at University 1 has publicly expressed strong commitment to the work of UD 1, though this has not resulted in strong support for financing UD 1.

> What's interesting is our supporters are the faculty and the Dean of the faculty. They are like … 'we believe [UD 1] is exactly an expression of what this college is about.' And so they're very, very supportive, which is really fine. But how that gets translated in the budget cuts with that we don't know (UD 1 Bridge).

Making matters worse, a reduction in budget for things such as traveling to pilots, new staff funding, and other partnership-related spending could have a negative impact on the relationship and desired expansion of the NGO 1-UD 1 partnership. "It's an enormous amount of my time and energy right now being spent just on the college interface end of things. It's hard for me to think about educating [NGO 1] Japan" (UD 1 Designer). NGO 1 staff felt the concern as well:

> Frankly, I'm gravely concerned if these cuts are made and they have to let go of [UD 1 Manager]….if they lose [UD 1 Manager] then I would be concerned just about their ability to maintain healthy administrative functions. You know before [UD 1 Manager], things didn't function smoothly (NGO 1 Manager).

One specific manifestation of this financial concern was concern over continuing to pay the increased salary to the Asia pilot staff, as explained by UD 1 Designer:

> You know our pilot staff there are formally [NGO 1] employees and they essentially were given to us, we pay their salaries and they're told to report to, us but formally speaking they're [NGO 1] employees. And so there have been issues about salaries for the people that we're paying in stuff like, well here's an example, we'll get an e-mail saying 'every employee at [NGO 1 Asian country] is getting a 10% raise this year. And your people have to as well, please send the money.' Well what if we didn't want to give a 10% raise? .... we're all under salary freezes here, my budget's being slashed, we don't have money to give a 10% raise to our staff there. ….So just there's some tension there and I don't really know where it's all heading. I'm just concerned. It may price the staff out of the market…. That's my biggest concern.

Concern over current restructuring at NGO 1. As mentioned earlier, the relocation of the NGO 1 Designer to a new continent emerged as a concern for the partnership for both organizations at the point of the original interviews but only for UD 1 staff at the point of the second interviews. It was clear to the NGO 1 Designer that future replication would require line management within NGO 1.

> I think the reason that … the partnership with [NGO 1] has worked…has been because we've had [NGO 1] people within [UD 1], you know [the UD 1 Bridges]. But I think that it's worked well up to a point and really probably the initiative that's happened so far has been at the instigation of [the UD 1 Bridges] and [UD 1 Designer]. And I think that for it to go further, however, my instincts tell me that there needs to be clear champions within [NGO 1] within line management. You know right now we've got there's some like footholds but for it to replicate further it needs champions that are within line management at [NGO 1]. Right now I think it's happening just by merely primarily by the initiative of [UD 1] and in other words

> there's an initiative by [UD 1], but there's not an initiative happening, a strategic initiative happening within [NGO 1] to really push this, and that's probably why it has not gone beyond two countries.

New Hopes

While it meant increased number of people to interact with at NGO 1, both organizations considered the expansion of the partnership relationship to include other segments of NGO 1, such as NGO 1 US, a positive move, as summarized by UD 1 Bridge:

> And so our connectedness with [NGO 1 US] has increased and so it's not just now a relationship with [NGO 1] International but general organizations leadership is still good and now that we're getting a much stronger relationship with. The reality is they can raise money and all that for different things. So if they get excited about this they can say 'hey we can go to a donor to get money to hold a training that [NGO 1] staff can go to that [UD 1] will do the training on.' Now they can do, and so there's, it creates more possibilities of interaction.

Though from different roles, each of the participants of the original partnership stayed connected in some way. Some of these connections resulted in the continuation of the original project, the pilot programs and refining of the microfinance model. Others resulted in staff at NGO 1 being in new roles and wanting to connect with UD 1 in new ways, such as the Tsunami business rehabilitation project and the NGO 1 subsidiary initiative. Generally speaking, all of the participants from both sides of the partnership continued to hold up the strong relationships with each other as a reason for their belief that the partnership would continue into the future. Relationship strength emerged frequently as an indicator of the future of the partnership. One NGO 1 Manager stated:

> … at a personal level, we just really loved these guys, you know, we really, there's good chemistry, you know. We have a common heart, you know. We have a lot of fun when we're together. Probably secondarily, you know, we really, from what I know of what they've produced, I've heard it's excellent. And, you know, what our vision is, is to see churches really raised up to be a strategic change agents in their communities.

A NGO 1 Bridge shared this perspective:

> … in my own experience it's really hard for these kind of intentional partnerships to form. When I say intentional I mean things that actually amount to something you know where there's some real benefit. And, people are really busy and … also I think it's really dependent on relationships. But I think in this case, you know, we've got good relationships. So, I don't know, I feel optimistic actually, it's hard for me to say what and if I think that you know it'll be great when those guys come and meet some of the people that are doing this training at the field and I just have a feeling, my sense will be that they will find people that really love what they're doing and will invite them to their countries and all sorts of things will come out of that.

Replication of the pilots did not emerge strongly from the participants as an indicator for future hope for this partnership, but rather the hope was in the new projects they began together.

Case Summary

The partnership between UD 1 and NGO 1 emerged out of a shared interest in a small-scale microfinance model to be implemented in NGO 1 communities. The strength of the relationship between the organizations fostered the partnership into existence and played numerous other roles as well. Staff secondments and staff transfers actually facilitated the partnership's shared commitment to working together to improve community health through microfinance and Christian discipleship. This ultimate goal was at the heart of their work together.

The strength of the relationships may also explain the high level of trust they felt, thereby decreasing the need for regular formal partnership meetings. The strength of the relationships and level of trust also carried the organizations through misunderstandings they experienced due to poor communication around staff transfers. Ultimately, they believed the people involved were not intentionally deceptive and did not want to do anything to hurt the other organization.

When discussing concerns about the partnerships' future, multiple responses included statements about loss or change of the people involved in the relationship, yet another indicator as to the importance of these relationships. Lastly, the new opportunities to work together emerged not only because of the success of the model created by UD 1 but also because of the deep relationships and trust established.

In addition to the health of the relationships, the organizations were able to come together around a set of partnership goals of model development, replication and community transformation, in a complementary way. In the process of doing so, each organization was also able to capture some value for their organization that was outside the goals and value created by the project itself. For UD 1, this was credibility in the field of microfinance due to the hands-on pilots they created, as well as new opportunities to partner with other NGOs. For NGO 1 it was an expanded donor base now that the NGO was engaging in microfinance.

In reality, UD 1 needed NGO 1 to do this work more than NGO 1 needed UD 1. For UD 1, the NGO 1 infrastructure made it possible to create and pilot their church-based microfinance model and document the results. NGO 1, though interested in microfinance, did not have a driving need to have that ministry as part of its organization's offerings in communities, hence the lack of a microfinance champion within the organization and lack of funding and mandate to replicate the microfinance models in other NGO 1 communities.

The reality that the organizations did not achieve the replication goal, however, did not impede either their feelings towards each other or their ability to find new projects to work on together. Both could be considered a testimony to the depth of the relationships between stakeholders of each organization.

Case # 2 NGO 2 – University 2 Partnership Case

Partnership Overview Statement

University 2 and NGO 2, both affiliated with the same Protestant Christian denomination, partnered together to offer a graduate program in international development that served the training needs of NGO 2. The program has been delivered in multiple locations around the world to NGO 2 and other NGO employees as an in-service leadership development initiative.

Partnership History

In 1993 and again in 1995 representatives from University 2 and NGO 2 met to discuss ways the two organizations could work more closely together. Multiple ideas emerged from those meetings including: student internships and externships for University 2 students and NGO 2 personnel, collaborative research on NGO 2 development projects, co-sponsoring a conference on international development, and the possibility of using one of University 2's graduate programs as a joint program of NGO 2/University 2 under the auspices of NGO 2's professional development program (PDP).

The partnership has been through multiple phases over the past twelve years. For this case analysis, I have broken down the partnership history into three phases but will focus specifically on the modification and delivery of the graduate degree program used in training NGO 2 personnel.

Phase One of the partnership started in 1993 when representatives from both organizations met to discuss ways the organizations could collaborate. There was enthusiasm sparked by those initial meetings (Partnership meeting minutes, 1993).

Phase Two began in 1995 when a smaller group of representatives from each organization met again to look at NGO 2's PDP training program and discuss how they might partner with University 2 to offer a graduate program that achieved those same competencies. The organizations began working together to do exactly that but simultaneously implemented some structural changes that may have been the cause of future partnership challenges. The leadership of University 2 decided that the existing International Development graduate degree needed to be interdisciplinary, which resulted in moving the existing degree program from the business department and creating a shared degree program among six academic departments, deans and faculties. Hence, the partnership launched at the same time that (a) the program was being handled by a larger team of academic leaders with a new shared governance structure and protocols that needed to be established, and (b) enrollments were escalating to 150+ off-campus students from NGO 2 at a pace that surprised both organizations (Partnership meeting minutes, 1995).

Phase Three of the partnership began in 2000 when NGO 2's involvement in program management changed, and the organization decreased the number of staff scholarships it would offer. As a result, University 2 shouldered more responsibility for the program and its finances and began to make changes to its content and delivery. During this phase, NGO 2 turned its focus towards an internal training program called the PDP competency program. Conversations about the future of the partnership are ongoing.

This case analysis will focus most heavily on Phase Two and Phase Three, around which most of the interaction in the relationship occurred.

At the time of the first interviews, NGO 2 and University 2 were already in Phase Three of the partnership. The organizations had delivered the program solely to NGO 2 employees from 1996 to 2000. The original University 2 Bridge was pursuing further education and no longer able to manage the program, a reality that precipitated a turning point in the relationship, which will be discussed later.

During these first interviews, the transition from a heavily NGO 2-involved program and student body had taken place, and Phase Three was underway with University 2 having primary responsibility for the development and delivery of the new project management-focused curriculum, as well as for delivery of the program through partnering Denominational churches in developing countries. University 2 hired the appropriate staff to meet the delivery needs and created a financial model with the belief that individual students from developing countries could afford the program. NGO 2 had already invested heavily in the competency-based training program and was continuing with the development of that program at the point of the first interviews.

Alignment of Organizations' Mission and Goals

Goals of Each Organization and Compatibility of Goals

Both organizations stated that the mission of University 2 was to prepare people, through Christian education, for service to the Church and to the world while promoting a Christian world view. They also understood that the mission of NGO 2 was to provide for the social service actions of the denomination, that is to be the "practical expression of [the denomination]." While the organizations acknowledged that they served through different functions, they believed they served the same overall needs of their denomination.

Strategic Goals of the Partnership

University 2 and NGO 2 designed a partnership to jointly deliver the University 2 International Development graduate degree, which would meet the goal of providing graduate level training to NGO 2 personnel. "NGO 2 needed capacity for training and they needed a partner to do the training, so it was a recognized degree. So the partnership was for [University 2] to be the trainer of their staff" (University 2 Manager).

In addition, NGO 2 wanted to enhance their staff's leadership and management skills, in order to "prepare professionals who were able to fulfill the management and leadership functions" (University 2 Manager). A University 2 Manager described the relationship as follows: "[University 2] is attempting to fulfill the requests of [NGO 2] in the areas of education that they want to improve the quality of their workers."

Lastly, the partnership was to help both organizations become more competitive in the areas of development work and development education delivery. One University 2 Bridge explained that the purpose of the partnership was to "make [NGO 2] and [University 2]'s goals more competitive in the whole business of doing good…best practices of development."

In addition to the shared goals, NGO 2 envisioned this program providing a structure to launch its internal training initiatives under the NGO 2 Professional Leadership Institute umbrella, which would fulfill NGO 2's new 10-year plan for enhancing professionalism in the human resources of the organization.

> Our history is twenty years, even though we have a long past we have a short history. And, there was no formal development program that fit the leadership of the organization. So, by the time 1995, 94, 93 rolled around we had 120 offices with maybe three people who were fully degreed in the areas of development. So there was a major need to enhance the professional managerial capacity of [NGO 2]'s leadership and we did that by enrolling 197 of our senior leadership in the Masters Degree program (NGO 2 Bridge).

University 2 saw the venture as an opportunity to "expand our already international education and mission in a way that would help us to understand better what educational assignments really must be in an international environment" (University 2 Bridge). The relationship allowed University 2 a closer view of NGO needs and best practices in development while also promoting Denominational and Christian values.

> This [campus International Development graduate degree] had elements of proposal writing and monitoring and evaluation …. maybe three or four students took that program. I mean you could count them on two hands…. So when we went up there and talked about an International Development Program, [University 2's] Provost said… 'we need to morph out of where we've got it and get it over here.'

How Partnerships Created Value for the Organizations Involved

In this section, I will examine the value created in the relationship, how the organizations chose to assess the value created, and how, or if, the partnership met the original goals.

Value Creation and Assessment for University 2

Table 4.4 summarizes the goals of the partnership, the value that University 2 believed it created for its organization and the ways in which University 2 measured that value. It is important to note that what is measured in assessing value in relationships does not always correspond with the value created. Value measures that do not match up with goals or value created are listed at the bottom of the table.

Table 4.4 – University 2 Perceptions of Value in Relation to Goals

Goals	Value Created	Value Measured
Graduate level training for NGO 2 personnel	Contribution to the mission of University 2	Testimonies of students and alumni
Enhanced leadership and management skills for NGO 2 Personnel	*not specified*	Caliber of student work
Increased competitiveness of both organizations	An increase in the University's international reputation Revenue stream (secondary)	Enrollment numbers New partnership requests
Expand University 2's international education and mission	Faculty exposure to global issues Faculty access to NGO practitioners and development work realities Opportunity to develop indigenous universities (secondary)	Research opportunities for faculty
		Financial measures of gains and losses Number of alumni completing doctoral programs

Value creation. University 2 believed the partnership with NGO 2 created value in four primary ways. First, it contributed to the mission of University 2 in training people for lives of service, as explained by a University 2 Manager: "If you look at our mission statement it's very clear that what we do is train students for service. Service to the church, service to society, and so it, it has grown us in this new area."

Second, it increased the University's international reputation, as explained by one Bridge: "Every five years the [leadership] of [our denomination] meet for their annual general conference…15,000 people attend those events… someone made an observation that University 2 was mentioned like 50 times."

Third, the faculty exposure to global issues enhanced their global views and they were able to integrate that expanded worldview into their campus teaching. "[I]t is impacting teaching on this campus as faculty go out and experience the world and come back with the insights that come from seeing other parts of the world" (University 2 Bridge). Another University 2 Manager elaborated:

> It gives our teachers an opportunity to teach overseas, it opens their eyes. Where any of our teachers go to graduate programs overseas they come back different people. You go to teach in Nigeria and you come back a different person than you were or wherever it may be and I think that's one of the things that is really, I don't think a teacher in any of our affiliated or extension programs this one or any of them goes to a site and doesn't come back understanding the students who are on our campus in a way that they would never have understood them before. They understand the cultural diversity, so I think that is one of the things that has really opened up the eyes of teachers and then there are students from the program who come to our campus and I think that they have enriched our campus as well as our campus enriching them.

Lastly, it gave faculty access to NGO practitioners and development work realities, which enhanced the curriculum in those areas and enhanced the University's credibility globally to teach and deliver it in those areas.

> I dream of having a graduate or even doctoral degree in international development, and that's inspired, I'm sure, by the experiences that our teachers had when they went to teach and discovered that they could meet needs, and then discovered even bigger needs at the higher management level, that [University 2] perhaps could meet. (University 2 Bridge)

Other benefits mentioned less frequently included the opportunity to build capacity in their denomination's global network of universities which also helped mitigate the "brain drain" of international students coming to the United States for study and never returning to their home countries. The additional revenue from the NGO 2 students in University 2's program was also seen as a benefit.

Value capture. While working in this partnership, University 2 experienced a number of unanticipated benefits and new opportunities. The work with NGO 2 opened the door to discussions with other NGOs about using the program as a capacity building tool for their organizations. At the completion of this research, no significant enrollment of staff from any other NGO had occurred; however, other interested groups such as foreign governments did sponsor whole cohorts through the program. The program provided a tangible way for University 2 to partner with denominationally-related churches in developing countries and assist in building their capacity for graduate education. University 2 saw this as a means to continue (or some say establish) itself as the flagship university of the denomination around the world. Additionally, after two cycles of working with NGO 2, University 2 began to see demand grow for a more generic degree program allowing greater flexibility – an MA in Organizational Leadership with concentration tracks, such as international development.

Based on their understanding of University 2, colleagues at NGO 2 believed that this partnership benefited University 2's public image, helped them achieve their mission, and provided faculty a broader perspective of development issues and a knowledge base that would benefit their campus teaching.

Partnering: Worth the effort. University 2 believed that collaborating with NGO 2 in this venture was better than trying to do it alone because the two organizations shared a commitment to a common mission through their denomination. A University 2 Bridge explained: "it's just the compatibility of missions and the history of the organizations. It's the church connection, [which is] certainly an important one." They also shared an existing relationship because of their denominational affiliation. "One advantage in having [NGO 2] is that we kind of share the same principal in terms of mission" (University 2 Manager).

“The fact that we were both under the same church ownership, that I could say there would be a particular advantage” (University 2 Manager). Lastly, NGO 2 brought the NGO perspective to the program.

Partnering: Assessing value. University 2 mentioned the following indicators for determining the value that the partnership created: Testimonies of students and alumni and the caliber of their work, enrollment numbers, new partnership requests, number of alumni completing doctoral programs, financial measures of gains and losses, and the number of research opportunities for faculty. This last item was an area that both the University and NGO were surprised had not happened more often. With the exception of research opportunities for the faculty, all of the other indicators used to measure the value created in the partnership did not match up with the value that University 2 participants believed the partnership created.

NGO 2 believed that University 2 would look at the following indicators to assess value: graduation numbers, the benefit for University 2 to work with practitioner students, and the number of case studies written by faculty and students.

Value Creation and Assessment for NGO 2

Table 4.5 summarizes the goals of the partnership, the value that NGO 2 believed it created for their organization and the ways in which NGO 2 measured that value. Value measures that do not match up with goals or value created are listed at the bottom of the table.

Table 4.5 – NGO 2 Perceptions of Value in Relation to Goals

Goals	Value Created	Value Measured
Graduate Level Training for NGO 2 Personnel	The graduate degree was valuable for credibility and fundraising purposes	Number of NGO 2 staff enrolled
Enhanced leadership and management skills for NGO 2 Personnel	Common conceptual format for development training, developing syllabi and delivering field-based training	NGO 2 Student Testimonies
Increased competitiveness of both organizations	Indigenous church leadership	Program's credibility
Structure to launch NGO 2's PDP competency program	Cohort delivery model created a network of practitioners within NGO 2	Common training framework established
		Increased credibility with donors and both funding proposals created and funding proposals funded Economic benefit to the organization vs. overall costs

Value creation. NGO 2 believed that the partnership with University 2 created value for them in four primary ways. First, the formal degree program provided a common conceptual format for development training, developing syllabi and delivering field-based training that did not exist prior to the partnership, though some cited that the program was deficient in its efforts to develop practical tools.

> That was probably one of its premier benefits that the common platform of conceptual platforms also was. And we gained it, in [phase one of the International Development graduate degree program]…we gained the common conceptual platform in the area of portfolio. The activities we engage in through security, economic development, the micro enterprise development, disaster response, health and education (NGO 2 Manager).

Second, the graduate degree was valuable to NGO 2 in a number of ways. First was the credibility of the program itself because of the degree associated with it, and second was the increased credibility of the NGO 2 staff/students when making presentations to donor organizations for project funding. NGO 2 believed it increased the number of proposals funded.

> Our office in Bolivia for instance had been approached by USAID, just out of the blue you know, to organize to deliver a three million dollar activity in the city of X…Would they have thought of us let us say five years ago, probably not. They're thinking of us right now because that kind of improved dialog that we have, the more professional dialog that we have with them (NGO 2 Designer).

Third, NGO 2 believed that the opportunities to have NGO 2 church members and indigenous NGO 2 leaders participating in the program was beneficial to NGO 2's overall mission.

> …we've got pushing 180, I think, new individuals, not new individuals but individuals who have new degrees in international development from a credible program and all along the way we believe that [University 2] maintained the quality. That is a human resource that is we believe is unmatched. And the fact that such a majority of these are all from the local settings, are indigenous individuals and so that's a huge value added (NGO 2 Bridge).

Lastly, the program delivery format using cohorts created a network of practitioners that opened the door for future collaboration around NGO 2 work.

> I think it is one of our first efforts at working this in depth with any one organization at a true partnership level. So it has just taught us that how to, we've had other types of partnership, but it was a good lesson for being a partner (NGO 2 Manager).

Value capture. An unexpected benefit from the partnership was that it created an employee professional development culture at NGO 2 and forced NGO 2 to examine its staff retention issues to find new ways to entice staff to stay with the organization, such as using the program to help identify staff for future promotions. This was not a response to high numbers of staff leaving after completing the program, but there was some attrition that could be attributed to this, which was enough to prompt NGO 2 to look at its overall human resource systems. As one NGO 2 Manager explained:

> … a backdoor benefit that it has taught us that we have to, we have to more squarely and appropriately correctly address our retention issues because when our staff becomes competitive in the market place or become marketable we have to have more than just, they don't have the degree to retain them and it's just a backwards way to approach it.

New opportunities for NGO 2 included invitations from other universities to partner for similar programs in different discipline areas, such as public health. Phase Two provided NGO 2 with the belief and confidence that it could function in a partnership relationship and that its capacity building needs could be met, to some extent, through graduate education.

University 2 believed the gains for NGO 2 included enhanced professionalism and performance of their staff resulting in improved organizational performance, an established global network of practitioners including indigenous staff, and an enhanced reputation because of their partnership with a university.

Partnering: Worth the effort. NGO 2 believed that partnering with University 2 in this venture was better than working alone because University 2 was a recognized university and brought a recognized degree, and they demonstrated a willingness to come together around this program. The two organizations also shared accountability through the denomination, mission and staff as some NGO 2 staff members now work full-time for University 2.

Partnering: Assessing value. NGO 2 stated the following indicators for determining the value that the partnership created: the testimonies of the NGO 2 students in the program, the number of staff educated and the network they have established, the credibility of the program and NGO 2 students who've been through it, the establishment of a common framework for training, an increased credibility with donors, the number of funding proposals submitted, the number of funding proposals funded, and the economic benefit compared with total cost. The conceptual platform for future training and the increased credibility because of the graduate degree were both areas in which NGO 2 felt the partnership created value.

University 2 believed that NGO 2 would look at the following indicators to assess value in the partnership: strengthened legitimacy of NGO 2 due to upgraded professionalism of their staff, improved performance as a result of the academic degrees and training received, relationships formed and resulting collaboration of staff who were students together, attrition rate of those who completed the program and left NGO 2, capacity developed for NGO 2 to deliver other training programs and program costs versus benefits.

Understanding and Valuing the Contributions of the Other

As stated previously, this partnership went through significant changes after Phase Two when a large number of NGO 2 staff completed the program. Initially, the program was designed to serve NGO 2 students and NGO 2’s organizational needs. As NGO 2 decreased its involvement in program management for Phase Three, the functions of each organization changed. This also led to some tensions. When discussing what they did for the partnership, the organization representatives focused their interview responses on the functions they performed when each of their respective organizations was the primary administrator.

Overview of Functions Handled

Table 4.6 provides a summary of the functions each organization handled during the two phases and how these shifted from Phase Two to Phase Three. The discussion that follows examines these changes and the participants' response to the changes.

Table 4.6 – Changes in Functions Handled from Phase Two to Phase Three

Org.	Function	Phase Two	Phase Three
NGO 2	**Funding**	NGO 2 paid all staff tuition, residency costs and annual stipend to University 2s	Though fewer students in the program, NGO 2 staff still comprised 70% of student body; NGO 2 designated a set dollar amount each year that could be used by University 2 for NGO 2 student tuition
	Curriculum	NGO 2 and University 2 each assigned designer and reader to curriculum development, curriculum was focused on NGO portfolio issues (food security, leadership, etc.)	NGO 2 focused on their competency program (PDP) but provided University 2 with topical issues that degree curriculum needed to cover NGO 2 retained a voice in faculty selection
	Logistics	NGO 2 selected conference center venues in multiple countries for sites, provided residency coordinator, paid for all costs.	University 2 made NGO 2 aware of new residency locations
	Administration	NGO 2 decided which staff to send to program NGO 2 Bridge worked with original University 2 team on admissions, registration, student tracking, class scheduling, assigning faculty	NGO 2 reduced participation in administering the program NGO 2 provided feedback on curriculum and faculty issues
Univ 2	**Funding**	University 2 provided NGO 2 a per-student scholarship	University 2 provided 25% scholarships to all students University 2 made arrangements for local universities to host residencies
	Curriculum	No comments	Program changed to a Project Management focus University 2 reduced involvement with NGO 2 staff University 2 professors increased involvement in developing curriculum
	Logistics	Minimal involvement in residency location selection Original University 2 Bridge provided university approval for NGO 2 selected sites.	University 2 moved residencies to local Denominational universities in various countries thus reducing student lodging costs University 2 hired roving residency and

Org.	Function	Phase Two	Phase Three
			cohort coordinator.
	Administration	Original University 2 Bridge collaborated with NGO 2 on admissions, registration and student advising Some challenges to the lack of follow-through on non-degree students and graduate student advising and completion.	University 2 increased administration of the program taking over all aspects from NGO 2 including admission, registration, tuition collection, residency/class scheduling, assigning faculty.

Functions Each Organization Performed and the Changes Needed to Carry Them Out: Phase Two

During both phases, it was clear which organization took the lead in managing the program. During Phase Two it was NGO 2, and during Phase Three it was University 2. Discrepancies between the two organizations' perceptions of functions centered on the degree of involvement with each function rather than whether the organization was involved at all.

During Phase Two of the partnership program, there was consensus that NGO 2 staff were the majority, if not all, of the students in the off-campus program. The general responsibility areas handled by both organizations and perceptions of involvement level are discussed below.

Funding. Though NGO 2 management did cite the importance of University 2 scholarships, during Phase Two it was clear to both organizations that NGO 2 provided all of the funding for the initiative, both in terms of a per-student cost and a general overhead fee to the University. This led to the perception by both parties that NGO 2 was the lead organization in making decisions for the program. This was highlighted by one University 2 manager: "The decision was with [NGO 2] because they paid for everything so it was a partnership that was strongly imbalanced in their favor." The issue of funding emerged as a central topic in most of the interviews and impacted the perception of the degree of control that each organization had. It was also a point of tension as the funding structure changed.

Curriculum/teaching. NGO 2 believed that curriculum development and faculty assignment were shared functions between the organizations. "We used normally in the first model two persons on each module [development]. One representing the university and one representing [NGO 2], one wrote, one read and it could go either way" (NGO 2 Bridge). "Teaching I think was joint in a true sense of the word. There were some [University 2] Professors, there were some [NGO 2] Professors and there were some third party ones that had nothing to do with either organization or no formal association with either organization" (NGO 2 Manager). NGO 2 believed that University 2 was very involved in the overall program design and the departed original University 2 Bridge was heavily involved in hiring curriculum designers and designing some of the courses himself. The current University 2 team did not comment on how the original courses were developed, but rather on what changes were made for Phase Three of the program.

Delivery logistics (venue selection and management). NGO 2 made the decisions about what venues would be used for offering the classes for the program during Phase Two. University 2 colleagues acknowledge this but also sited the expense of the venues as a possible reason NGO 2 stepped back from administering the program. "[NGO 2 Bridge] arranged the sites which he took care of and financing of the sites" (University 2 Manager). "I think that financially the way the [the graduate degree program] was run by [NGO 2] was too uneconomical. [They] like the resorts, [they] found nice hotels and …. put quite a lot of money into those … So, they [NGO 2 Leadership] wanted to reign that whole financial experience in because it was a horrendously deep pocket" (University 2 Bridge).

Academic administration. While it was agreed by both organizations that University 2 was ultimately responsible for ensuring quality academic administration, the organizations worked together to admit and register students and provide other services during Phase Two of the partnership. The departure of the original University 2 Bridge left much of the administrative work temporarily in the hands of the NGO 2 counterpart, as he explained:

> [I]n 1997 when [the original University 2 Bridge] left I was the only person. I did everything, I went up to the campus, negotiated the curriculum, secured the teachers, ran the sites in the field, did the registration, did the finances, the whole thing when [the original University 2 Bridge] resigned. So, my work encompassed the entire activity from the development of the curriculum giving it into the schedule of the university, securing the teachers, registering the students.

He also pointed out that two University 2 Managers soon became involved to assist. Those managers praised the work of NGO 2: "[NGO 2 Bridge] played a very important role in that [academic administration], because he was present throughout each session, and he gathered the materials or they sent the stuff directly to us" (University 2 Manager).

> I really got personally involved in 1999 when the original [University 2 Bridge] stepped down and I was asked to step in and pull the whole thing together again. So, from 1999 that was what we call [phase one of the International Development graduate degree program], I've been working with them ever since to get the students graduated. There were approximately at that time about 500 students, but not all were working toward degree, but they were coming to take the classes or to what was called, you probably heard, the [PDP] session. But out of that group there were about 200 to 250 who gave an indication that they wanted to finish their Masters Degrees. And, a large portion of those people had submitted their application documents but they hadn't been officially admitted in this program yet. So that's one of the big things that [University 2 Manager] and I were working on was clearing up Admissions, and then letting them know exactly what it was they needed to graduate (University 2 Manager).

Functions Each Organization Performed and the Changes Needed to Carry Them Out: Phase Three

During Phase Three of the partnership program, there was consensus that the program management and student composition had changed significantly from the previous phase. "Phase Three, [NGO 2] did not want to be in the business of administrating and managing a graduate studies program but rather wanted to approach it from the perspective of a consumer" (NGO 2 Manager). "This program had gone from being the big huge part of their work to a rather small piece" (University 2 Manager). The general responsibility areas handled by both organizations and perceptions of involvement level are discussed below.

Funding. Phase Three had fewer NGO 2 students, as NGO 2 had educated most of their leaders in Phase Two of the program. Because of this, the funding structure of the partnership changed. All NGO 2 students in the program received a tuition scholarship (discount) from University 2 and a designated scholarship amount from NGO 2 Headquarters with approved participation.

The cost structure for other participants in the program varied. At one stage University 2 tried a "quarters" system where the student paid 25%, University 2 provided 25% scholarship, their organization headquarters paid 25% and their local offices paid 25%. This model also allowed for diversity in the students who participated as they could come from any organization. Later the model was changed to "cohort sponsoring," where an organization or government funded an entire cohort, which resulted in a more homogeneous cohort experience.

Curriculum/teaching. NGO 2 students still made up 70% of the students in the program during Phase Three, although it was a much smaller program at that point. Because of this, both organizations agreed that curriculum was still a joint effort, and it was in both University 2 and NGO 2's best interest to stay involved in what was being taught and who was teaching. There was a shift during Phase Three to a project management framework for the curriculum which seemed to narrow the focus of the degree, though University 2s believed the framework was necessary. One Bridge commented: "…we are trying to make people, to produce people to manage projects well, who can work with and hire those people but who know the project cycle."

This shift, however, raised questions as to whether it would still meet NGO 2's leadership development needs.

> That was probably one of its premier benefits that the common platform of conceptual platforms also was. And we gained it, in [phase one of the International Development graduate degree program] we gained the common conceptual platform in the area of portfolio. The activities we engage in through security, economic development, the microenterprise development, disaster response, health and education. But we did not gain it and don't even see particularly being gained in [the second phase of] the International Development graduate degree which is [in the area of] management…..not even so much project management though they're trying to move this round to project management…. I think the benefit that we have gained by having a conceptual program is excellent. Is it building managers and leaders? Does it give the tools of management and leadership other than having that conceptual portfolio foundation in them? Not much, I mean there's a little bit in there but not much. And they seem to be more ancillary than central (NGO 2 Manager).

Delivery logistics (venue selection and management). In consultation with NGO 2, University 2 hired new staff to attend residencies and provide academic administration services to students at the residencies. The residency locations changed from conference centers to denominationally-affiliated universities in developing countries which reduced the cost of the program and was considered a positive change by both organizations.

> Three years ago we decided to set up going and having our training in hotels - this is how we worked before - now we decided to build capacity in local educational institutions. So, in this way we help them as well. And so we tried to have the site

> functioning, and basically what we do have, you know, be able to go to a community or a college that could help the program (University 2 Manager).

Academic administration. In Phase Three, University 2 handled the majority of functions required for administering the program. “We handle everything that is part of this Masters, like admission and grading and offering degree certificate, diploma, and financial aid. That’s pretty much everything. And we even offer scholarships” (University 2 Manager).

Relationship Management

Previous Relationship Between the Organizations

The two organizations had multiple connections that provided natural relational bridges. Staff members at NGO 2 working on the program were alumni or current students of University 2s and had participated in teaching. Two staff left NGO 2 to work for University 2 and became catalysts in the original partnership discussions, ensuring the NGO perspective was represented within the University.

Frequency of Meetings and Communication

Clear communication is necessary for the implementation and management of any partnership. What occurred in this relationship was regular and enthusiastic communication between the original program designers at University 2 and NGO 2, but communication did not always spread throughout the partnering organizations to other necessary stakeholders.

> One of the histories that has brought this partnership is it’s either a lack of communication or poor communication and not always the same, I mean sometimes we have had plenty of poor communication. It was started [in an entrepreneurial manner] so it was run as an entrepreneur from both sites. And so the entrepreneurs spoke with each other and one of the reasons the entrepreneurs wouldn’t speak more broadly is because it was easier to do it without speaking more broadly and maybe would have never gotten done if those broader conversations had occurred. However that began to take its toll as the relationship matured and as the scope or

> sophistication of the activity grew and matured. And so then it became more on the radar screen of the stakeholders within the two organizations that had huge investments in it. So as they became aware of the size of their investment and how that investment was shaping or changing or effecting our respective organizations the interest increased and when the relevant amount or the proportional amount of communication wasn't occurring then it set up all kinds of even poorer communication. I mean, it set up either resentments or just frustrations that we have had a hard time working out and I think really only within the last year have come to a mechanism that clearly addresses those and allows us to work, but we're not still working the mechanism particularly well. I'm not sure we're doing it particularly poorly but we're not doing it particular well (NGO 2 Manager).

These early, and common, miscommunications between the two organizations raised the need for a more formal interaction schedule between various stakeholders. The resulting formal agreements between the organizations outlined a multi-committee structure to govern the work surrounding the joint graduate degree program and improve communication. As one University 2 manager stated:

> We said basically the Liaison Committee will try to meet face to face at least twice a year and phone and e-mail conversations as needed, in between. Same is true of the Advisory Committee we try to do face to face twice a year. Basically there are three levels of communication, one is two top administrators as they need to deal with a very broad, you might say, organizational relationship. The Liaison involves, you might say, the top managers of each organization. The other group needs to deal with not just the nitty gritty of looking at curriculum, looking at faculty, looking at whether the sites, any logistics of sites that need to be coordinated.

Both organizations agreed that this structure worked well when the meetings actually occurred, but as Phase Three continued, meetings were scheduled with less frequency.

Areas of Tension

Both organizations noted that tension emerged in the partnership around the issues of the transition from an NGO 2-dependent program to a University 2 program. By the end of Phase Two, NGO 2 believed it had educated the leadership it wanted to train, even more than originally intended, and it now wanted to focus on reaching the many staff not qualified for a graduate program by offering the PDP program. One NGO 2 manager explained:

> I think the demand is somewhat decreasing. I think running 200 or 180 graduates through the program the first time certainly took …the majority of the need, took it out in that first cycle. By the time you get to the second cycle, you've maybe moved to a different tier or a different demographic within the employment.

NGO 2 also believed that the cost of the new phase of the program was higher than they were willing to pay. "There was not unanimity of conviction of economic benefit versus cost" (NGO 2 Designer).

The participants from University 2 who were part of regular meetings about the partnership seemed to understand and accept this reality. However, communications internally at University 2 left those who managed the day-to-day operations feeling like NGO 2 was withdrawing because of dissatisfaction with the program, loss of control or other issues. Words like "used" and "control" emerged in the interviews.

Both organizations understood the financial impact the change had on University 2. The University found itself needing to develop a financial model that would work for the program in order for it to continue without a contractual partner such as NGO 2.

> We had a lot to learn about how to fund this and to pay for it. And, at the moment, we're struggling to find a way, now that we're no longer in a partnership arrangement, where we are just fulfilling a contract, we didn't make all that much money by doing that… We made some money but it was not anywhere near as much as we anticipated partly because naively we agreed to certain changes in the arrangement without understanding how much money it was going to cost us (University 2 Bridge).

> I think in [the International Development graduate degree phase one] they were very involved in the development of curriculum, ahead of that they had to put together a financial plan that would make it work. They had to know what to charge us, because essentially they billed a flat fee for us and then delivered on that flat fee. So, they had to do that planning and ongoing through the program they had to make sure they could deliver the service within budget which I think was hard for them. I think in

> some ways they feel they under-bid it. They under cost it in the earliest stage (NGO 2 Manager).

Vision for the Future of the Partnership

After five years of working together, the participants expressed both concerns and hopes for a future relationship.

Concerns. The primary concern was in the area of funding and the graduate program's dependence on NGO 2 students. A second area of concern that University 2 identified was the potential competition between the graduate program and PDP. Because both programs were targeting NGO 2 regional offices and staff, a clear understanding was needed regarding who NGO 2 would and would not invest in for the graduate program, as well as who they would be targeting for the PDP program. One of the designers from the university explained:

> …their own internal training program may drive them much more than they realize. They may decide that they don't need the graduate training quite the same way because they have their own internal training. And because they have invested significant resources in the PDP… that to me is a cause for concern.

Hopes. There were a number of things that occurred in the relationship that inspired hope in both organizations that it would continue into the future.

University 2 believed that there would always be a pool of new NGO 2 staff members who needed the skills that are developed in the graduate program. At the same time, NGO 2 acknowledged University 2 efforts to develop expertise in international development, so they believed University 2 would remain their "prime partner for degree programs." What substantiates that statement is the 60 scholarships NGO 2 continues to offer its staff to enter the graduate program at University 2.

NGO 2 hoped some of the PDP competency workshops could become concentrations for the graduate students and that the PDP program might be viewed as a satellite campus of the University for that purpose. Additionally, both organizations believed the intentional capacity building of local denominationally-affiliated universities in developing countries would equip them to become capacity builders of local NGO 2 offices.

Both organizations agreed, however, that any new work they did together would need to be facilitated by regular, intentional communication between them and good communication throughout both teams.

Separate from the above mentioned areas, University 2 was also planning a doctoral program in leadership and expected that some staff at NGO 2 would need such a program.

Partnership Status Eighteen Months Later

A second round of interviews was conducted with the same participants and any new participants in these relationships eighteen months after the initial interviews to find out the status of the partnership, changes that had occurred and how the relationships between the organizations were being managed.

Partnership Strength Indicators

Both organizations believed that an institutional relationship was continuing but with decreased interaction. Interaction surrounding the graduate program was minimal and transactional in nature. While the two governing committees still existed on paper, both parties believed there was not a strong enough agenda to warrant regular meetings and, in fact, there hadn’t been a meeting in about twelve months.

Changes Since Original Interviews

Changes in partnership project. By the time the second interviews occurred, NGO 2 had launched its competency program and was still exploring ways it could be offered for credit through University 2, or some other university, as well as serve as concentrations in the University 2 International Development graduate degree program. Both organizations agreed that the PDP program had become the prime focus for NGO 2 time and resources. NGO 2 acknowledged that they were less intentional about collaborating on the curriculum for PDP. As one manager put it, "[We've] become more of a consumer of services, rather than a partner in its administration" (NGO 2 Manager). Colleagues at University 2 concurred: "I've not had any conversation about curriculum matters in at least two years. So I would say that that reflects perhaps some disinterest on maybe their part and probably to some degree our part too" (University 2 Bridge).

University 2 enrollments were down in the phase two of the International Development graduate degree program, so they began scaling back staffing and the number of sites where they offered the program. The staff member hired to manage those sites was cut to a half time contract due to the reduced load. "Essentially we've come to the formula where a full time job for a person in that position is six sites, so if we have three sites its a half time job" (University 2 Bridge).

While there were some continued discussions regarding collaboration with other NGOs, the managers of the program were also aware of potential changes the University 2 senior leadership were discussing for the program "Whether it continues as [the existing program] or as an MA in Organizational Leadership I don't have much doubt that it will continue in some way to provide service in this area" (University 2 Manager).

The leadership at University 2 began discussions about merging the international development program and its delivery system with the University 2 Leadership program to create a graduate program in organizational leadership with multiple concentrations, one of which would be international development. There was hope the new program might have broader appeal.

> There was some thought a couple of years ago that there might be other NGOs that would be eager to sign up and some effort to recruit those people. That has not developed as strongly as we wanted. There's a dribble but it's not enough to maintain a program. So we've had to say 'well if the real market wants something different possibly we need to construct something different for the market.' Merge the [International Development graduate degree] curriculum into with another curriculum that we had developed and were offering off campus, I want to say off shore, called Leadership. Maybe we need to think about putting these together. So curriculum wise now, this is the first change, the curriculum for the future will probably be a Masters in Organizational Leadership with one track being International Development (University 2 Manager).

Additionally, this new program would not function on an individual student basis but rather move to a "sponsored cohort" model where an organization or government would sponsor an entire cohort and pay University 2 a lump sum for delivering it. One of the liaison committee members explained the rationale:

> We were running this program on an individual student basis. That is students would apply on their own for this [International Development graduate degree] and they and we had an arrangement whereby they would pay so much, their employer would pay so much and they would raise so much money to pay for the costs and we would give them a scholarship of so much. So it was like a four way deal. Well, we ran into problems on several fronts with this individual model, what I call the individual model. A model needs to be done whereby somebody out there is our partner and they say we will pay for a site and we will pay the cost and we will pay [University 2] for those services, so their like a participating financial partner. They will collect the money and then they will pay us. And we will give them a big discount, you know make that as inexpensive as we can still meeting our own costs. So we'll finish out these individually organized students in Africa and Italy but we told the people in Columbia when we were proposing this, we said we have to do this, you have to sign a memorandum of agreement that you will pay us a minimum amount of money for four years. And any future sites where we do this whether it's this track or it's the

> leadership track or whatever, that's the model [University 2] is adopting for this kind of delivery (University 2 Manager).

While NGO 2 was positive towards the move, they still did not feel they wanted to be part of sending students at that point, although perhaps they would in the future. "That is perfectly fine with NGO 2. I mean as we've talked about it with the [Liaison] they said 'yea that makes sense', we don't want to be a partner right now with you on anything" (University 2 Manager).

Both organizations experienced changes in the level of staff involvement. Two staff members from NGO 2 and one from University 2 remained involved in running the graduate program, but all believed their involvement had decreased as the number of students and sites decreased.

New opportunities. NGO 2 continued to focus heavily on the creation and delivery of their new PDP program, which thus became the central topic of discussion regarding new opportunities. They were exploring the idea of certification for the program and possibly offering some of the competency workshops as concentration courses for University 2 graduate programs or those at other universities. "This is a corporate training program and there is ongoing discussion about whether or not some parts of it could receive some sort of credit, but those discussions are not solely with [University 2]" (NGO 2 Bridge).

University 2 continued to seek partnerships with other NGOs and governments for students for their graduate program. While no significant NGO participants from any one organization emerged, a number of new country-specific initiatives had, coinciding with University 2's new plans for sponsored cohorts. As explained by a University 2 Bridge:

> But the working relationship has now brought in other partners, for example, there are partners associated with an educational institution in Russia, south of Moscow, and the local people with that are responsible for various service initiatives, in really the former Soviet Union who are also sitting at the table, so I would say, maybe four or five or six interested parties now sitting at the table with [University 2] and [NGO 2].

Additionally, University 2's focus on delivering the program in partnership with denominationally-affiliated universities in developing countries was considered a new and positive opportunity.

> I think that…not only did we build capacity in them, but they built capacity in us and that is now enabling us to go out and build capacity in other [denominational] Universities which is going have a spin off effect (University 2 Bridge).

Vision for the Future of the Partnership

Participants shared their concerns and hopes for the future of the partnership at both interviews, eighteen months apart. Table 4.7 summarizes the comparison between those views and what concerns and hopes remain for the future.

Table 4.7 – Comparison of Indicators on the Future of the Partnership

Concerns/Hopes	University 2	NGO 2
Original Concerns	Competition between degree program and PDP competency program	Funding and the program's dependence on NGO 2 students
New Concerns	Decreased communication with NGO 2 University 2's ability to continue program with NGO 2 students and NGO 2 funding Staff attrition at NGO 2 once students completed program	Decreased communication with University 2 University 2's ability to continue program with NGO 2 students and NGO 2 funding University 2's marketing strategies and confusion over NGO 2 staff sponsorship for the degree program Change in leadership at NGO 2 and change of focus for staff development
Original Hopes	Some continued demand from NGO 2 for degree program Effort University 2 made to partner and	Hope that competency program could provide concentrations to degree program

Concerns/Hopes	University 2	NGO 2
	gain expertise in NGO issues, NGO 2's 60 scholarships Future hope for local Denominational universities as capacity builders for local NGO 2 offices	Future hope for local Denominational universities as capacity builders for local NGO 2 offices
New Hopes	Continued NGO 2 enrollment for some staff Continued relationship between both organizations' presidents Shared mission of developing NGO 2 staff	Continued NGO 2 enrollment for some staff Long-standing respectful relationship Possible collaboration around PDP program Collaborative research

New Concerns

Both organizations shared the concern that the formal communication between the two organizations had decreased. "What we have changed is let me say, the agenda to sit at the table. I suppose that both entities are willing to come to the table, but frankly, we haven't developed an agenda that has brought us together to the table" (NGO 2 Designer).

Another area of shared concern was the question of University 2's ability to continue offering the program without significant NGO 2 support and the viability to continue a site long enough for the students to finish their program. Though there was trust that University 2 would ensure that students do have a plan to complete, this risk was on the minds of the managers at NGO 2. "Is there a risk that at some point they will deem this in one location, in multiple locations, or all locations, as no longer a deliverable site for them? I think that'd be biggest concern" (NGO 2 Manager).

NGO 2 expressed concerns over their perception that University 2 was continuing to market the program to regional NGO 2 offices and staff, and those individuals were subsequently expecting the headquarters to provide financial support as they once had. In reality, University 2 was approaching NGO 2 students, but with the new financial model of "quarters" where each party pays one quarter of the costs. The individual students found they were unable to pay and turned to NGO 2 to pay their portion. The liaison committee dealt with the situation, but this misunderstanding was a point of tension.

> People that were out there working in countries under [NGO 2]'s direction, I mean the Country Directors or the Regional Directors they had a hard time envisioning that [NGO 2] was no longer responsible. They tended to think well of course NGO 2 wants us to do this and so [NGO 2] will pay for it and we got into a couple of snafus in which they actually requested us to come and give a site take on a cohort and then didn't have the money for it and went back to headquarters in Washington and [NGO 2] said no we didn't agree to that. So we had several you know real troublesome situations (laugh) where assumptions were made by, they thought that [NGO 2] would bail them out with a grant from headquarters, but [NGO 2] said we were consulted about that, we didn't agree that we needed to have that program offered and therefore we are not able to help you (University 2 Manager).

Another area of concern raised by NGO 2 was the leadership change in their organization and the subsequent change in priorities. The graduate program had been the project of the past president and it was believed that the new president "may want to establish his own legacy within the agency" (NGO 2 Manager) which may or may not have an impact on the partnership.

University 2 expressed concern over staff attrition at NGO 2 once students completed the program. However, NGO 2 had not experienced any significant attrition for those reasons and believed that the issue actually forced NGO 2 to address staff retention issues across the organization. So they saw the issue in a positive light. University 2's senior leadership also questioned whether the program would continue given its lower enrollments, hence the discussions about a merged graduate program in organizational leadership with a concentration in international development.

New Hopes

Both organizations expected the relationship to continue into the future, though not necessarily focused on the graduate program they once delivered together. Both organizations acknowledged that some NGO 2 staff could afford to enroll in the program without an NGO 2 scholarship and wanted to encourage that. One Bridge acknowledged: "absolutely, the people themselves say, hey, I want to do this. I want to take two weeks vacation every year and do this and take all the savings I've had for the last five years and pay my own way."

NGO 2 believed the long-standing and respectful relationship between the organizations would continue and looked forward to possible collaboration around the PDP program providing concentrations for a graduate program as well as possible collaborative research. University 2 believed that the fact that the two organizations' presidents continued to discuss ways to work together was a good sign that the relationship would continue, as well as the fact that both organizations had similar missions around development of NGO 2's worldwide staff, though in formats other than a graduate degree.

Case Summary

The partnership between University 2 and NGO 2 is an example of a long-standing partnership centered on a shared interest in building capacity for NGO 2 staff and a common identity and commitment to the global work of their shared Protestant Christian denomination. These two commitments were the anchors for the relationship throughout numerous challenges and changes.

The organizations established a relationship because of their denominational affiliation and the transfer of one staff member from NGO 2 to University 2. This relationship was the catalyst for the original partnership concept, and this individual became a bridge person for the project, both designing and managing the partnership in Phase One and Phase Two. The comfort that NGO 2 felt around this person's understanding of their organization and ability to help redesign University 2's graduate program towards the training needs of NGO 2 was a significant reason for the partnership launch. His subsequent departure from managing the relationship for University 2 was the cause of a number of misunderstandings that ensued.

The partnership experienced a number of significant transitions throughout its thirteen year history. These included: the loss of an original and primary stakeholder, new University 2 staff with new ideas about the content focus of the curriculum, a significant shift in functions and funding provided by NGO 2 from an earlier phase to a later phase, and communication issues between the organizations and within each organization.

The partnership goals focused on NGO 2's training needs for their staff in multiple countries. The graduate program of University 2 was only to be one mechanism for satisfying those training needs; the PDP was to be another and to cover a larger portion of NGO 2's specific training needs. NGO 2 only intended to send a large number of staff through University 2's graduate program during Phase Two. Communication of this reality did not seem to pass from the original University 2 Bridge to the new University 2 Bridge and management team, and tension arose when NGO 2 reduced both the number of staff they sent to the program in Phase Three and their involvement in funding and managing the program.

These communication challenges were not only the result of changing participants in the program but also within the organizations. Within University 2 there were three governing bodies for the relationship with NGO 2, and members of each seemed to have slightly different perceptions about the partnership relationship, who was in charge and its strength. The managing group seemed to have the least access to regular discussion directly with NGO 2 and were left to make assumptions about NGO 2 based on their withdrawal from the relationship.

More than the other two partnership cases, the issue of finances arose in this case as a primary theme in participant responses. Both organizations believed they had invested heavily in the partnership, and while NGO 2 wanted to reduce future investment in the graduate degree to invest in the PDP initiative, University 2 wanted NGO 2 to continue some level of financial investment in the degree program through student scholarships.

The relationship was considered strong enough, thanks to the shared denominational commitments of both organizations, to instill hope in both parties that a partnership would continue in some form, though maybe around new projects that could be achieved together rather than around the original project.

Case #3 NGO 3 – University Department 3 Partnership

Partnership Overview Statement

The Southern Africa branch of another international NGO (NGO 3) and University Department 3 (UD 3) at University 3 partnered together to offer a number of academic credentials to Regional Development Program Managers (RDPs) of NGO 3.

Partnership History

In 1998, NGO 3 approached UD 3 regarding the creation of a certificate program in community development designed for NGO 3's Regional Development Program Managers.

The program would provide training for NGO 3 staff tasked with the responsibility of implementing NGO 3's new approach to community development.

Alignment of Organizations Mission and Goals

Goals of Each Organization and Compatibility of Goals

The goal of UD 3 is to alleviate poverty in Southern Africa through research, study and training in development. NGO 3 also saw this as the goal of UD 3 and also added that they understood UD 3 to be a place for training or non-formal education, as well as for higher education.

The goals of NGO 3 are focused on transforming communities and helping children by improving their well-being. Only one team member mentioned that NGO 3 brought a Christian perspective to this work. However, UD 3 colleagues believed the role that NGO 3's Christian Faith played in the work was strong, using phrases such as "guided by Christian ethos" and "spread the word of God." They also agreed that NGO 3's focus is both uplifting people's living standards and alleviating poverty in Southern Africa.

When asked about the compatibility between the two organizations' goals, both believed their work was very compatible and complementary and focused on poverty alleviation. As one NGO 3 manager stated, "[NGO 3] needs what [UD 3] teaches." UD 3 seconded that statement with "[UD 3] brings the theory and some practical, [NGO 3] brings the practical" (UD 3 Bridge).

Strategic Goals of the Partnership

The organizations were in basic agreement on the goal of the partnership – to train NGO 3 staff and equip them with the skills they need to work in communities. NGO 3, however, expressed greater need for the partnership because academic qualifications were not something they could produce. Additionally, NGO 3 wanted to foster a desire for learning in their staff and improve the quality of their work. The NGO 3 Bridge explained what brought about their desire to increase the skills of these staff:

> So there was a big change in our approach… Now the feeling was that we would not make that transition easily unless first of all we deliberately identified those people who were to be transiting or the potential candidate for the new project. So, our objectives were to equip the existing managers for this new project. That was the first objective. The second objective was to equip the potential staff that would later on manage programs because we were growing very fast. The whole partnership wanted us to move so fast from community development projects to area development projects and we didn't have the capacity to do so and we needed to make sure that we equipped a staff so that they can be able to do so. And the third thing was that we were interested we realized because development is so dynamic and the environment is changing so much, we needed to create a desire in the minds of all participants or all managers of learning, learning through distance education, learning through reading of books, you know, buying books and the like, self-learning, you want it to really, you know, because you'll not be able to do this job well if they wait for us to go through the training, it's not going to work - they need to start having the desire to learn on it and then learn from books and the like. So those were some of the critical objectives that we had but in the beginning we wanted something that is practical, let me put it that way, and that's where [UD 3] comes in now.

How Partnerships Created Value for the Organizations Involved

In this section, I will examine the value created in the relationship, how the organizations chose to assess the value created, and how, or if, the partnership met the original goals.

Value Creation and Assessment for University Department 3

Table 4.8 summarizes the goals of the partnership, the value that UD 3 believed it created for their organization and the ways in which UD 3 measured that value. As in previous tables, where valued measured does not align with the project goal or value created, these items appear at the bottom of the table.

Table 4.8 – University Department 3 Perceptions of Value in Relation to Goals

Goals	Value Created	Value Measured
Train NGO 3 Staff and equip them with community development skills	Expanded market, enrollments, revenue Personnel points (staff hiring points) Credibility Enhanced the UD 3 mission by working with a major NGO	Increased enrollment numbers Increased revenue Increased number of countries represented in the University 3 student body Graduation rates
		Impact of student graduation on University 3 faculty and staff

Value creation. UD 3 believed that the partnership with NGO 3 created value for their organization in three primary ways. First, the expanded market they reached through the NGO 3 staff members provided increased student enrollments and increased revenue, both of which increased UD 3' personnel points (staff hiring points) allowing them to hire additional staff.

> [NGO 3] students when they go back home for example they're from Namibia, Tanzania, whatever you want to say, they normally take the departmental brochures with them and then we get inquiries from other students who want, for example, an honors degree or undergraduate degree or certificate program. And so what they actually do is marketing us outside. (UD 3 Manager)

Second, was their sense that the partnership brought credibility to the University. NGO 3 was well known in the country and for UD 3 to work with them lent credibility to the faculty and the university, as the UD 3 Bridge said, "the fact that they see [NGO 3]'s name and that we do training for them obviously makes an impression."

Third, working with a development agency in Africa and training Africans in development helped UD 3 achieve its mission.

> … to achieve our mission statement of addressing poverty and upliftment, for the University, they've actually undertook to become the University in Africa because we want to be the African University and we want to give people in Africa the

> opportunity for training and education and not relying on European and Western universities to do that job. And because we do have academic skills and infrastructure facilities that we can do that in Africa, and one of the objectives is actually contribute towards capacity building and skills training in Africa and academic qualification. So, the fact of I think 90%, 98% of the [NGO 3] students are from Africa it's a big marketing opportunity for us and I think it's remarkable that they actually advertise [UD 3] without even knowing it. (UD 3 Bridge)

NGO 3 colleagues agreed that working with them helped UD 3 in all these ways and also believed the partnership created value for UD 3 through the interaction with development workers that occurred in class, bringing real life examples to the theories taught. "They have now extended a hand outside the walls of the institution to reach out to those people out there, and therefore became meaningful to the people they collaborated with, but also meaningful to the communities those people served" (NGO 3 Manager). Additionally, they believed that working with a large NGO provided UD 3 with the opportunity to develop the capability to partner with others.

Value capture. While the partnership with NGO 3 was not necessarily designed with these goals in mind, the relationship also resulted in new research opportunities for UD 3 faculty and equipped UD 3 to run similar partnership programs with other organizations. This added additional credibility, increased enrollments, and increased revenue, all of which were unexpected benefits from partnering.

Partnering: Worth the effort. UD 3 believed that partnering with NGO 3 was better than trying to accomplish their goals alone because the NGO 3 students shared "a common concern and commitment" to communities. Additionally, as mentioned earlier, working with a corporate contract such as NGO 3 provided UD 3 personnel points that gave them hiring leverage within their organization, an established student group that was easier to coordinate, and administrative support for the program from NGO 3 staff.

Partnering: Assessing value. UD 3 stated the following indicators for measuring the value that the partnership created: increased enrollment numbers including growth in non-NGO 3 students, increased revenue, increased number of countries represented in the University 3 student body, graduation rates, and the emotional impact that the graduation ceremony had on University 3's staff and faculty. One of the managers at University 3 tried to articulate that impact:

> A few measurables are the things one sees at the graduation ceremony that love, the flame that glows, the twinkle in the eye. I've got a policy in this department, old people have to attend at least one graduation ceremony each year to see why we're here. See those people coming out on the stage, how proud they are. One can't measure that.

Both increased enrollments and revenue were mentioned as value created for the partnership; these other indicators were not.

In addition to these indicators, NGO 3 believed UD 3 also measured value through the knowledge gained from working with an NGO such as NGO 3 and the opportunity to try different approaches to community development through those NGO staff. One NGO 3 manager described:

> One of the things that one of the professors was sharing was that working with [NGO 3] becomes a lab because they get to have an inside look at how an organization functions, and how much you know they're able to apply those theories and stuff that they know and say it's working here, it's not working here.

Value Creation and Assessment for NGO 3

Table 4.9 summarizes the goals of the partnership, the value that NGO 3 believed it created for their organization and the ways in which NGO 3 measured that value.

Table 4.9 – NGO 3 Perceptions of Value in Relation to Goals

Goals	Value Created	Value Measured
Train NGO 3 Staff and equip them with community development skills	Improved analytical skills and work standards of participants	NGO 3 leadership decision to send more people to the program
Foster a desire for learning in their staff	Improved organizational reputation for investing in staff	Staff promotions
Improve the quality of their work	NGO 3's improved ability to partner	Improved staff performance Higher level work assigned to staff in the program
	Increased organizational enthusiasm for partnership initiatives	Staff grades in the program

Value creation. NGO 3 believed the partnership with UD 3 created value for their organization in three significant ways: First, there were the improved analytical skills and work standards of participants as explained by one NGO 3 Manager:

> Because we are living in a dynamic world, where new things come up all the time. We need people who have analytical skills to be involved in it. I think that's a, to me that's a big gain. These are the leaders of tomorrow… they'll be taking leadership positions. Not to mention strategy decisions. So we need staff who are analytical and who are able to make decisions.
>
> Second, there was the improved organizational reputation for investing in staff:
>
> They see [NGO 3] as a caring organization, it has enabled them to obtain certificates that are recognized, and they can apply for a job elsewhere. A lot of people have said that we are an organization that cares for its staff, in terms of training for staff on the job, so… they gain, we gain, too. In terms of motivation, we gain (NGO 3 Manager).

Third, there was NGO 3's improved ability to partner, and increased organizational enthusiasm for partnership initiatives. One NGO 3 Manager characterized the benefit in the following way: "It's also been a good experience in partnering. Sometimes in an organization as big as [NGO 3] it's difficult to partner. But, I definitely think there's definitely been a gain there."

NGO 3 believed UD 3 provided an accredited program, good materials, a different perspective on community development, and applicable education to NGO 3. UD 3 agreed that their organization provided NGO 3 with these things, but also believed that one of the significant assets they provided was the possibility for NGO 3 staff to work and study simultaneously and apply what they were learning to their work. The UD 3 Bridge explained: "it's the training opportunity that they get and the fact that people can study at [University 3] while they are in their community working in the areas of development programs."

Value capture. Unexpected benefits for NGO 3 included possible program expansion to other NGO 3 regions due to the National Directors' perception of its success. This could be achieved by either expanding the work with University 3 to other regions or possibly regional partnerships with other universities. The partnership began around a certificate program but expanded into other degree programs, which was appealing for the NGO 3 staff. This led to discussions about offering training in other subjects using the same delivery structure. Lastly, the opportunities that this further training and education provided NGO 3 staff made it possible for them to leave the organization for better jobs, which was a benefit to the participants in the program, although not necessarily the organization.

Partnering: Worth the effort. When considering doing this program without UD 3, NGO 3 concluded that partnering was the better option. UD 3's global reputation, especially their reputation in development, gave credibility to the training NGO 3 wanted for their participants and, at the same time, provided an accredited certificate or other academic credential. One NGO 3 manager explained:

> I think [University 3] is known to be one of the most reputable universities in Africa if not the world, and I think that's what made our choice much easier and I think it makes sense for us to be associated with such a university that reputable and their qualifications are recognized almost everywhere in the world.

Partnering: Assessing value. NGO 3 stated the following indicators for determining the value that the partnership created: NGO 3 leadership's desire for more people to go through the program, the number of participants promoted, improved performance appraisals of participants, higher level work projects assigned to participants, the visible difference in project management between participants and non-participants, and the grades participants received in their courses. While improved analytical skills and work standards of participants could be measured by NGO 3 leadership's decision to send more people to the program, staff promotions, improved staff performance and increased assignments to staff in the program, no indicators were used to measure value areas such as improved organizational reputation and increased enthusiasm for partnering.

UD 3 recognized that NGO 3 used these indicators, but also believed they measured how many participants passed the course, the length of time it took a student to pass, and qualitative performance measures such as increased friendliness, responsiveness and level of professionalism of the participants in their work setting.

Understand and Valuing the Contributions of Others

Functions Each Organization Performed and the Changes Needed to Carry Them Out

According to UD 3, in order for the partnership to achieve its goals UD 3 performed the following functions: designing the program and new certificate, acquiring South African

Qualifications Authority (SAQA) approval of the new certificate, coordinating the overall program, hiring and paying consultants for developing course materials, ordering study materials for the certificate students, supporting communication between UD 3 and NGO 3 and UD 3 and the students when needed, assigning faculty, registering students, facilitating the courses, marking the assignments, paying faculty, and awarding the certificates. NGO 3 approached UD 3 about a certificate program that did not already exist, so UD 3 had to create the program specifically for NGO 3. The UD 3 Bridge recalled:

> They came with a request for training for their Area Development Project Managers and they had a specific idea of what they wanted people to train in and we sat together and negotiated and drew up the program and designed it specifically for them, consisting of six modules of which [UD 3] will present. We presented five of the modules and they presented the other module.

Additionally, the partnership required UD 3 to do “a lot of extra work in administration”; they developed new study materials, adapted materials to suit NGO 3 and developed new systems for student services in working with a corporate client.

NGO 3 agreed these were the functions handled by UD 3, though some of them were performed in collaboration with NGO 3, such as designing the program, assigning faculty and registering students. NGO 3 also noted that UD 3 handled setting the standards for the students’ assignments, updating the program curriculum annually, organizing examination centers and organizing the graduation ceremony. NGO 3 recognized the changes UD 3 made for the partnership in that UD 3 appointed a liaison person between the center and NGO 3, created the new certificate program and designated staff in the student service areas who would deal specifically with NGO 3 staff.

NGO 3 was responsible for the following functions of the partnership program: identifying the community and staff training needs, negotiating with UD 3 what the requirements were for the certificate program, marketing the program internally through NGO 3, paying UD 3 for each student, facilitating the registration process with each student, distributing materials to the participants on UD 3's behalf, tracking the student assignments to ensure completion and timeliness, providing a level of quality control at the residency, and conducting an evaluation to ensure the program met NGO 3's needs.

The partnership required a number of new functions that NGO 3 was not accustomed to, such as adding staff to run the residencies, hiring lawyers to review the contracts with UD 3, learning how to budget for such a program and connecting with UD 3 on a regular basis.

Their colleagues at UD 3 agreed that internal marketing, funding the program, selecting the candidates for the program, and tracking student documents were handled by NGO 3, but also believed "[NGO 3] was more like the conference organizer… they will do that and organize their workshop facilities and the place, venue that they want" and facilitate modules that are designed by and specific to NGO 3's Regional Development Program work. UD 3 also recognized the changes that NGO 3 had to make in the areas of staffing for residencies and administrative support for the program.

Financial Arrangements

There was little discussion surrounding the financial arrangements except the price of the certificate, $9,000 USD per student, and that UD 3 billed NGO 3 for all students in the program, not the individual students directly.

Relationship Management

Previous Relationship Between the Organizations

The NGO 3 Bridge's previous relationship with University 3 facilitated the initiation of the partnership. He was a doctoral student at University 3 when the idea for the program came about, and he contacted his professors regarding their interest in working together on the idea.

Frequency of Meetings and Communication

Communication between the organizations happened on an as-needed basis. There was usually one meeting each year to discuss launching another group of students and then again when it was time for the actual residency for those students. Otherwise, communication happened by telephone and e-mail to deal with logistical matters as they arose. There were multiple points of connection between the organizations. Communication was not funneled through the two Bridge staff only, but multiple people from each organization connected around their specific tasks.

Areas of Tension

The only area of tension cited in the partnership was the designation of a new UD 3 Director that NGO 3 found to be unresponsive to their needs. It did not seem to cause a significant problem, but NGO 3 did make the request of UD 3 that the original liaison be appointed to continue this work, and that request was granted.

Vision for the Future of the Partnership

At the point of the initial interviews, each organization expressed concerns and hopes about the partnership's future.

Concerns. The concerns raised were not about the partnership per se, but rather about external factors that could impact future collaboration. For example, UD 3's only concern was over getting approval to hire the administrative support they needed to handle the partnership and any partnership expansion.

NGO 3 expressed concern over the expense of the program and being able to sustain that budget line within NGO 3's overall budget. This was particularly an issue given the expanded interest from other parts of NGO 3 Africa and NGO 3 International and the additional staffing that expansion would require. The NGO 3 Bridge explains:

> The first level giving me concern is the fact that it has grown big, from initial interest, and it's demanding too much work and time. I will need one person to step up behind me and take over, especially the leadership side where you need a negotiator.

In addition, while expansion was desired, most universities require a minimum academic qualification to enter a program, and NGO 3 knew this meant many of their staff would be ineligible for the program. Also noted was the concern that the program made NGO 3 staff more marketable and, therefore, more likely to leave the organization, though this point was not expressed by all NGO 3 team members as a concern. Some team members believed this was a positive development.

Hopes. In spite of the concerns, both organizations expressed great hope that the partnership would continue. Both organizations cited the expansion from just the certificate program to other degree areas as a positive indicator, as well as the increased demand within NGO 3 for this type of training and partnership. Additionally, UD 3 cited their upcoming merger with University T[1] as a means to possibly get new staff to support the endeavor.

Partnership Status Eighteen Months Later

A second round of interviews was conducted with the same participants and any new participants in these relationships eighteen months after the initial interview to find out the

[1] University 3 is a major university in South Africa. A merger with them will increase University 3's resources significantly and may provide additional staff support to University Department 3.

status of the relationship, changes that had occurred and how the relationships between the organizations were being managed.

Partnership Strength Indicators

Both organizations agreed they were still in partnership together, and the partnership was stronger than 18 months earlier. UD 3 believed the partnership was stronger because of the success of the program as measured by the number of people who had completed it and its impact on NGO 3. NGO 3 had made it a standard part of their employee training, the degree offerings were expanded, and graduates of the certificate program were continuing with UD 3 for further studies. They also said that their relationship with the NGO 3 team had grown. NGO 3 believed the partnership was stronger because of the renewed and expanded partnership contract, the increased demand from other parts of Africa for the program, and UD 3' willingness and flexibility to accommodate NGO 3's needs.

Changes Since Original Interviews

Changes in the partnership project. In addition to the additional UD 3 degrees offered to NGO 3 staff, other changes at each organization included the creation of UD 3 satellite campuses which could further facilitate the expansion of the program to other parts of Africa, thus serving an expanded group of NGO 3 staff. Again, the new degree options offered to NGO 3 were also a change in the partnership.

There were minor changes in staff involvement in the program over the eighteen months. The NGO 3 Bridge changed to an expanded role but stayed involved in the partnership liaison role. He moved to a different country and delegated some of the administrative responsibilities to other team members, leading two of the original team members to increase their roles in the partnership. No one cited this as having any significant impact on the relationship with UD 3. At UD 3, the only significant change was the hiring of a new Director of the UD 3 who was now more heavily involved in partnership administration. The same liaison was still involved, though she was out on maternity leave for a period of time. Again, no one cited the changes as having any significant negative impact on the relationship and, in fact, believed the added staffing was a positive move, as one NGO 3 Manager stated: “they’re really like friends now, we feel like family.”

New opportunities. Both organizations believed they had gained new opportunities because of the partnership. UD 3 had obtained a number of corporate contracts with organizations that were larger than NGO 3. They believed the work with NGO 3 taught them how to manage such partnerships and provided the additional human resources in UD 3 to take on new clients, as the UD 3 Bridge explained:

> We’re able to take up other bigger projects like at the moment we’ve got the [Foundation X] project, and we’ve got [Foundation Y] project, which is running from the center. So in that instance, the center kind of got empowered to run more projects, because [NGO 3] in the beginning was one of our largest projects but now we’re running even larger projects than [NGO 3] at the moment.

NGO 3 Southern Africa received requests from other regions of Africa to expand the program and take it “Africa-wide” and possibly globally to some of the offices in the roughly 80 countries of the world where NGO 3 works. The NGO 3 Bridge explained, “[NGO 3]’s senior leadership, the senior vice president came and he examined this course, and they are quite excited, in fact, they wanted me to make it partnership-wide, you know, whole world type of course.”

Vision for the Future of the Partnership

Participants shared their concerns and hopes for the future of the partnership at both interviews, eighteen months apart. Table 4.10 summarizes the comparison between those views and what concerns and hopes remain for the future.

Table 4.10 – Comparison of Indicators on the Future of the Partnership

Concerns/Hopes	University Department 3	NGO 3
Original Concerns	Getting University 3 approval to hire admin support	Program expense Academic qualifications needed for study Possible staff attrition after completion
New Concerns	Possible staff attrition after completion	Possible staff attrition after completion
Original Hopes	Possible expansion to other credential offerings University 3's merger with University T	Possible expansion to other credential offerings
New Hopes	Expansion to other credential offerings	Increased program demand Characteristics of their University 3 partners; flexibility, relational

New Concerns

The only concern cited by both partners was over attrition of NGO 3 staff after they completed their academic programs, since they were more "marketable."

New Hopes

Both organizations were confident that the partnership would continue into the future. While UD 3 cited the expansion from the original certificate program into some of their other degree programs as a positive indicator for the future of the relationship; NGO 3 remained hopeful because of the demand for the program. Specifically, NGO 3's team believed the increased interest from the other NGO 3 country offices in Africa requesting similar programs was affirmation that what they had accomplished was good. While there was anecdotal evidence that the program impacted the work of Regional Development Program managers, NGO 3 wanted to undertake formal research to make that determination. One NGO 3 Bridge believed the program was “creating leadership for all of Africa, not just our organization.” Lastly NGO 3 was hopeful about the future of the partnership because of their partner’s characteristics: they expressed gratitude to the UD 3 team for their flexibility and believed the personal relationships that had formed between the teams indicated the future for the partnership was hopeful.

Case Summary

The partnership between NGO 3 and UD 3 is a good example of a win-win partnership. The organizations came together based on a business need. NGO 3 needed staff training; UD 3 had certificate programs that could be modified to satisfy that training. While some adjustments were made to accommodate the corporate partner (NGO 3), academic standards and other essential functions of the University were unchanged. Additionally, there did not seem to be any significant financial concession, such as scholarships or discounts, on the part of University 3, thus establishing the partnership as a simple business transaction and not strongly “mission” driven.

The relationship could be characterized as transactional in nature given the stress on functions and not feelings that emerged from each of the interviews. It was only in the second interviews and in discussions about the partnership’s future that the relationships between participants from each organization were mentioned.

CHAPTER 5: DISCUSSION AND RECOMMENDATIONS FOR FUTURE

Introduction

There are many different aspects of partnerships that could have been examined in this study. One repeating theme that emerged in the literature was that partnerships must create value for the organizations involved in order for them to want to be involved. Doz & Hamel (1998) put forth a construct of value creation and value capture for designing and managing a partnership that provides the theoretical proposition of the study. This theoretical proposition shaped the data collection plan, guided the analysis and gave organization to the final case reports (Yin, 2003).

Using thematic analysis of field interviews from three partnerships, this multiple case study examines the perceived value created in partnerships between NGOs and Universities for the purpose of capacity building for the NGO. There are two ways value is created in organizational partnerships. One is through value creation, defined as the direct benefits derived from what the partners do together. The second is through value capture, which is "the benefits that accrue outside the partnership that are strategic" (Doz & Hamel, 1998). An example of value capture is a university that establishes an elaborate curriculum and delivery system to serve the training needs of an NGO and uses that same curriculum and delivery system to serve the needs of other organizations. While it is understandable for organizations to only want to focus on the outcome of the relationship – the value created or captured, this study examines the process of partnering and the interactions that create the relational environment for how value is created and captured. This chapter will highlight the findings from the cases on the process of partnering and creating value, not just the outcomes of what value these partnerships created together.

Often more attention is paid to the design phase rather than the management of the relationship (Doz & Hamel, 1998; Kanter, 1989, 1997; Spekman et al., 2000). However, the ability to gain value from a partnership increases over time, so the management of partnerships is critical to capturing any potential long-term benefits (Doz & Hamel, 1998). One theme that was anticipated at the beginning of this study centered on the roles that participants played in the relationship. In the analysis, however, no distinct thematic difference emerged across roles. Therefore, this chapter will be organized around the general themes that did emerge in these partnerships, including: (a) partnership design; (b) value in partnering-- how it's created, captured and assessed; and (c) relationship management. In this chapter, I will discuss these themes, extract lessons about organizational partnerships from the themes and the literature on partnering, and make recommendations about future practice and research to extend this learning.

Partnership Design

According to the partnership literature, organizational leadership tends to focus heavily on the design of an alliance rather than the management of the relationship after it has begun. While each of the three partnerships had some form of memorandum of agreement, it was interesting to note how infrequently the original contract was mentioned in their interviews. The literature does not stress the details of creating contracts for partnerships. Each organization did spend time developing a contract; they just did not refer back to it with any frequency in their management of the relationship. Additionally, not all the team members knew what was in the contracts as they were not used as steering tools. For these partnerships, other themes emerged as important in the design of the relationship.

Historical Relationships

A key element in each of the three partnerships studied was the existing relationship between the organizations prior the launch of the partnership. Each organization conceived the idea of forming a partnership after encountering their future partner in a particular context. UD 1 and NGO 1 were introduced by a mutual acquaintance and found they had a number of historical connections between them. For example, some of the NGO 1 staff were University 1 alumni and some of the UD 1 staff were former staff of NGO 1. These original connections created confidence and initial trust between the organizations that would facilitate their work together.

University 2 and NGO 2 had similar linkages. One senior level person with NGO 2 had taken a position with University 2 years earlier and became the catalyst for the partnership. NGO 2 had an initial confidence and apparently a very good relationship with the origination University 2 Bridge. NGO 3 and University 3 were in a similar situation. The partnership Designer at NGO 3 was a previous student at University 3 in UD 3. He was familiar with the people and the curriculum that would later be used for his own organization.

This initial familiarity with people from each organization accelerated the partnership discussion thus bypassing the search for a partner and shortening the time normally spent learning about each other's mission, goals and functions. When they entered into these arrangements, there was an established familiarity, credibility and trust that provided the foundation for the work together. It should be added, however, that while this initial familiarity with each other was helpful in opening the door, it did not necessarily ensure strategic fit between the organizations.

Shared Mission and Culture

In much of the literature, the issue of culture clash is stated as a primary reason why alliances fail. Healthy alliances succeed when both organizations understand their own culture and attempt to understand the other's culture and how best to appreciate the differences or at least minimize conflict surrounding those differences (Austin, 2000b; Bergquist et al., 1995; Doz & Hamel, 1998; Kale, Dyer, & Singh, 2002; Rickett, 2002).

Alignment of Mission in the Three Cases

The strongest alignment of mission was between UD 1 and NGO 1. As one respondent put it, these two organizations "kind of walk with the same gait" (NGO 1 Bridge). Both organizations were very clear in their belief that the church needed to be the center of the community and that there was a need for caring for the community in all aspects of life, including financial well-being. Neither seemed interested in having a strong organizational identity in the community; they would rather work behind the scenes in empowering local churches and local leaders.

While University 2 and NGO 2 also shared a strong denominational tie, Christian identity, and goal of developing indigenous leaders for works of service, they experienced the type of organizational cultural clash that is often prevalent between academics and practitioners (Curry, Wergin, & Associates, 1993; Schon, 1987). The reason why partnerships are often attractive to universities is because they are aware that they must overcome the negative perception that universities deal in the theoretical realm and not the practical, applied realm of professionals. In McGregor (1998) and Colston (2003), an area of university to industry partnership conflict centered around the appropriateness of university curriculum to meet the needs of “real world” issues. One hesitancy that businesses have in partnering with academic institutions is the fear that the educational experience will be too theoretical and not relevant or applicable to their workforce training needs. This growing perception is the fuel behind the growth of corporate universities and non-formal training programs, as one NGO 2 Bridge stated:

> The courses were designed primarily on the basis of an academic model that was a university residential model and while we had enormous success adapting it to the adult model we used in the field, it still was written from the perspective of a standard university level textbook for a standard university audience, which meant that it lacked the practicality that a profession emerging as quickly as this one required.

The issue was similar with UD 3 and NGO 3. Though they did not share any religious affiliation or worldview, they shared a commitment to developing community development workers and combating poverty in Africa. NGO 3, however, did express concerns that the curriculum of UD 3 needed altering and that a benefit was having NGO 3 students bring real-life examples and development experience to the learning process.

It is important to note that the tension between theory and practice was only present in the two organizational partnerships where an accredited degree program was the partnership project. UD 1 did not need to impose any accreditation standards or formal curriculum, as their focus was on a microfinance model for practitioners. Because of this, tension surrounding the relevancy of the curriculum was absent.

This issue of practitioner versus academic is not new. Education literature is rich with the challenges of cross-sector partnering for this very reason. Progressive academics are fully aware that it is at the intersection where theory meets practice that true intellectual and practical transformation occurs. Many universities are trying to find this intersection through the creation of practitioner-focused degree programs, similar to those in two of the cases in this research. They realize the world of thought needs hands and feet to become real and meaningful, and the complexity of the world requires practitioners who can demonstrate higher order thinking (Kegan, 1994). Schön (1983), Wenger, McDermott and Snyder (2002) and others refer to this as "reflective practice" or "creating communities of practice." Leaders in both universities and other sectors realize that it is at that intersection that new knowledge more powerful than mere theory and more relevant than mere practice can be found.

Limits of Shared Mission and Culture

Shared mission and similar organizational cultures are strong factors in starting a partnership, but they are only two of a number of factors needed to sustain the partnership through conflict. One of the paradoxical dilemmas seen in partnerships is that while organizations must share vision and be willing to be interdependent, for the partnership to be sustainable the partnership outcomes must satisfy the self-interest of each individual organization as well. Otherwise, organizational commitment will wane over time. In addition to unsatisfied self-interests, uneven levels of commitment and imbalanced power and resources in the relationship will eventually result in conflict despite shared mission and culture (Doz & Hamel, 1998; Kanter, 1989; Mattessich et al., 2001).

While shared vision was important at the start of the relationships and in seeing the three partnerships through points of tension, it did not substitute for continued value creation in those relationships. The University 2 – NGO 2 relationship demonstrated this point. Though the relationship will likely continue at the senior level due to the denominational tie, the agenda around the degree program became so weak that there was no reason to come together for meetings, and slowly the partnership around that project began to dissolve. One Designer stated: “I suppose that both entities are willing to come to the table, but frankly, we haven’t developed an agenda that has brought us together to the table”.

A confluence of factors contributed to the weakening agenda. Those include the increased cost of the program for NGO 2, the decreased demand for graduate level leadership training due to the number of staff that had already participated in the program, and the emergence of the PDP training program within NGO 2 that would be able to reach a broader range of lower and mid-level staff with specific technical training they needed rather than the broader, more theoretical education presented in a graduate-level program.

To keep the agenda or reason for partnering strong, the organizations would have needed to agree that University 2 was crucial to the development and delivery of the new professional development program (PDP) or to find some other new project in which to engage that was valuable enough to bring them together. Because University 2 was going to continue with the graduate program delivery, its staff were focused on that initiative, which did not leave much time to create new projects. Because NGO 2 had focused its resources, both staff and finances, on the PDP program, it also did not have the time or resources to find new projects on which to collaborate with University 2. These current realities, however, will likely not stop the two organizations from finding way to work together in the future.

UD 3 and NGO 3 continued their partnership because the need for what it was producing – qualified community development managers – was spreading throughout NGO 3’s organization. NGO 3 leadership was able to see the tangible impact these better managers were having on the organization and were willing to both continue to invest in sending others to the program and investigate new ways of replicating the program in other parts of Africa and the world.

UD 1 and NGO 1 continued their partnership around the microfinance pilots but also found new projects to work together on that have the potential to produce value for each organization, such as the NGO 1 subsidiary initiative collaboration and the Business Rehabilitation Services project in Asia.

Strategic Scope of Each Partnership

The heart of value creation is knowing what would lead to the development of organization value as a result of the partnership. "The viability of an alliance depends fundamentally on its ability to create added value for both participants. The more clearly one can define the value expected from a collaboration, the better one can configure the alliance to produce it" (Austin, 2000a, pg. 89). The fundamental question is: What is it that an organization needs from a partner to achieve its organizational goals?

As stated in the literature on partnering, there are a number of rationales for an organization to partner with another. Doz and Hamel (1998) state the importance of understanding the strategic scope of the partnership early so that it can be designed and managed using that lens. Examples of strategic scopes include co-option, co-specialization, and learning and internalization. Though the participants didn't state it as such, each of the three partnership cases corroborates Doz & Hamel's assertion that partnerships follow a strategic scope.

Co-option is the neutralizing of competitors by creating partnerships with them to expand market share and protect market share from other competitors. "Co-specialization allows partners with specific skill sets to exploit new opportunities that call for a broader range of skills than either partner has on its own" (1998, pg. 46). Learning and internalization through collaboration is a faster mode of internalizing the knowledge or skill of a partner within one's own organization (1998).

UD 1 and NGO 1's strategic scope was clearly co-specialization but also had elements of learning and internalization. UD 1 needed the delivery capability that NGO 1 could provide. NGO 1 needed the microfinance model that UD 1 could provide. NGO 1 engaged in the partnership with the expectation that the model created would be replicable within their own organization and implemented in numerous communities through their own local staff or the local churches. Thus, there was the desire to internalize the model within their organization.

The strategic scope of the University 2 – NGO 2 partnership and the University 3 – NGO 3 partnership was also one of co-specialization. The two universities provided curriculum, faculty and an accredited program. The NGOs provided a delivery structure, practical knowledge to enhance the curriculum and an expanded market in their own staff.

Partnership Goals and Compatibility

"Partners must share mutually achievable goals although the goals do not have to be the same. It would be unrealistic to expect that partners would share the same goals as each probably has different business objectives and performance targets." (Spekman et al., 2000, pg. 43) In all three partnerships there were both overlapping goals that the organizations shared, as well as individual goals that each organization wanted to attain.

UD 1 and NGO 1 shared the goal of microfinance model development and community impact. NGO 1, however, wanted to see replication of the model's use and technical assistance for their organization. It was interesting to note that as the partnership continued, UD 1 staff took on the goal of replication as well and were troubled that it had not occurred by the time of the second interviews.

For University 2 and NGO 2, their shared goal was developing NGO 2 staff and initially providing graduate-level training to them. University 2 had individual goals of fulfilling its mission and increasing its international reputation as well as exposing faculty to NGO work. NGO 2 was interested in the partnership as a means of creating a platform for later delivery of its professional development training program and saw the degree program as a “kick start” to that effort. The team that managed the partnership for University 2 did not take on the PDP training program as their goal and were somewhat concerned that it would become competition for the degree program they had together. Eventually this was in fact the case as NGO 2 turned its attention to the PDP program and away from the graduate program with University 2.

UD 3 and NGO 3 shared the goal of training for NGO 3’s staff, but NGO 3 also wanted improved staff performance as a result of their participation in the University 3 program.

Operational Scope

In addition to determining what the strategic scope of a partnership will be, it is important to determine the operational scope of the partnership (Austin, 2000a, 2000b; Doz & Hamel, 1998). All three partnerships did this very well with the exception of one issue – how the partnership would end. It may seem odd to discuss the end of a relationship at the beginning, however, some of the disappointments and tensions experienced in these cases could have been mitigated if the end points had been decided upon up front and those end points clearly articulated for the partnership managers.

For example, it was evident that UD 1 and NGO 1 envisioned replication as one of the goals of the partnership. Little emphasis, however, was placed on how replication would occur and who would spearhead and fund the initiative. While the real benefit of replication was for NGO 1, UD 1 staff internalized it as their own goal and expressed greater disappointed than NGO 1's Designers that it had not occurred. Had both organizations agreed initially how and when it would happen, it might have diminished the sense of disappointment they felt when it didn't happen.

With University 2 and NGO 2, a clear understanding of the number of NGO 2 staff that would be trained may have helped ease some of the relationship difficulties caused when NGO 2 withdrew after Phase Two and dramatically changed their support level for the degree program in Phase Three. University 2 staff that managed the partnership expressed disappointment and abandonment over that dramatic change in the relationship.

University 3 and NGO 3 did have clear boundaries around their partnership. There was a separate agreement for each batch of students that were trained with no expectation that there would be another group unless the program improved the staff performance of those students and NGO 3's leadership approved the budget for future students to attend the program. It appeared that having these boundaries relieved the burden of unmet expectations and also prompted University 3 to develop the delivery systems so that they could be used in other corporate partnerships.

As evidenced by the findings in this study, the design of the partnership is an important phase, and it is thus understandable that the partnership literature contains such an emphasis on good design. Finding the right partner requires that the organizations know what they hope to achieve by collaborating. It is important to find a partner organization that complements organizational resources and shares a common vision for the future work together. Organizations need to understand, as much as possible in this early phase, what it is they must derive from the relationship in order to stay engaged to the partnership. In other words: What is the overarching strategic reason to partner? What is it that the two organizations can achieve together that they cannot achieve alone? This includes examining not only the shared goals, but also individual goals that can be satisfied and what functions each organization will handle to reach those goals. Though some of the steps may feel premature and will undoubtedly need to be modified as the relationship progresses, they will become guiding principles as the partners begin to engage in the actual project of the partnership.

Value Creation and Value Capture

The evidence of value creation and value capture are key components of this study. Created value and captured value are, at times, difficult to separate and difficult to quantify (Doz & Hamel, 1998). For this research, value created from a partnership was defined as benefits or assets that each organization enjoyed as a direct result of the work they did together. There is an intentionality to value created as it is often the focus of the partnership design and answers the questions: What do we want to get out of the partnership? Why are we engaging in this partnership?

Value capture is often overlooked in partnership design for a number of reasons. As organizations are busy focusing on their new partners and the intentional goals they want to achieve in the partnership (value created), trying to ascertain what indirect benefits may come to them because of the work may be a bit premature. Raising the idea, however, that the partnership may result in some new, unknown, unexpected benefit for one or both partners would help them recognize it when it happens and give proper credit to the partnership relationship when assessing its success (value measurement). It is only when this scope of value is broadened to recognize both the value the partnership created and the value each of the organizations is able to capture because of the partnership, that an organization can truly assess whether it was worth the effort and whether collaborating on the same or a new project in the future would be beneficial.

One of the reasons value capture is difficult to measure is that it may be a manifestation of a value created by the partnership. For example, the organizations cited credibility as a value that the relationships created, but the manifestations of that credibility came in the form of things listed in value captured. Credibility was a value the partnerships created for the universities, but new invitations to partner with other NGOs also came as a result of that new credibility. Another example of the development of credibility was the value the partnerships created for the NGOs because their staff developed new skills. This credibility manifested itself in tangible ways because donor organizations now accepted funding proposals from those newly trained staff. The classification of whether a value from the partnership is either created or captured is not as important as the realization by the participants that the value does, in fact, exist and needs to be considered when assessing the overall benefits of partnering.

Value Creation

Regardless of how it begins, each organization must determine what value the partnership will create for their organization (Austin, 2000a; Bergquist et al., 1995; Doz & Hamel, 1998; Huxham, 1996; Kanter, 1997; Prahalad, 1999; Sagawa & Segal, 2000; Spekman et al., 2000). What can the two organizations accomplish together that they cannot accomplish individually? What new opportunities can be taken advantage of? What current threats can be mitigated? In the three cases studied, there was both overlapping and separate value gained by the three universities and by the three NGOs. The similar value created by the three universities was in the area of increased revenue, a contribution to the university's mission, credibility, access to practitioners and field data for program enhancement and publishing purposes. For the NGOs, there was similarity in credibility, potential replicability, and organizational impact because of the partnerships.

Consistent Value for the Universities

Increased revenue. Two of the universities in the cases stated that the partnerships brought them increased revenue by having a corporate contract with the NGOs that provided a pre-determined amount of students, and thus tuition revenue they could rely on. In the case of University 2, this was an annual stipend from NGO 2 for the purpose of running the program. Current education literature abounds with the reality that universities increasingly must find ways to accomplish their educational mission with fewer and fewer financial resources and that organizational partnerships represent one way to ensure a degree program's sustainability for at least the duration of the agreement. Additionally, there are financial savings related to typical administrative work the university does not have to conduct. For example, marketing and recruiting are unnecessary functions in these types of educational agreements. In the case of University 1 and NGO 1, though UD 1 was not conducting a degree program and thereby receiving a tuition fee, NGO 1 did provide seed money for the microfinance models and cover other incidental expenses, which was a benefit to UD 1.

Contribution to the university's mission. The two universities engaged in a graduate program with their respective NGOs –University 2 and University 3 – felt that their partnerships enhanced their university's mission to have a positive impact on the world. University 2's mission has a focus on preparing people for works of service around the world (University 2 Mission Statement), partnering with NGO 2 directly fulfilled that mission – both the service aspect and the global aspect. University 3 wants to be the university for Africa (UD 3 Bridge). UD 3 is very much focused on community development, so the partnership with NGO 3, a well-respect international development organization, helped both the University and the Department fulfill that mission. UD 1 did not specifically state that the partnership with NGO 1 helped fulfill their mission. UD 1, however, is in existence to train others in church-based microfinance models (UD 1 documents) so the training of NGO 1 staff and community members was a natural outgrowth of that mission, whether stated or not.

Credibility. Each of the universities in these cases had an established department focused on development work, which was one reason the NGOs had partnership conversations with them in the first place. For all three universities, partnering with an NGO to offer development education lent credibility to their programs. It indicated that what they offered was practical and relevant to real-world issues in development, which is a critical value in an environment that increasingly criticizes higher education for being too theoretical and not relevant to professions.

Access to practitioners. More so for University 2 and University 3 than for University 1, working with the NGOs to design curricula and then having NGO staff as students in the classroom meant that real-life issues were fully integrated into their curriculum while, at the same time, faculty were experiencing a form of faculty development through engaging in practitioner issues in the classroom. University 2 was able to capture that knowledge asset and integrate it into their campus programs and classes for undergraduate students. The design of the partnership between UD 1 and NGO 1 was different. In a sense, UD 1 provided the practitioner expertise to NGO 1 for the development of the microfinance model. However, NGO 1 provided the staff and the communities in which the microfinance model would be tested, so lessons were gleaned from the practice occurring at the field level. At the same time, UD 1 was able to integrate the lessons learned from the pilot testing of the microfinance model into their undergraduate classes and was also able to use the new initiatives with NGO 1, namely the business rehabilitation services, as real-life research data to be analyzed by their campus classes.

All three universities also saw value in their faculty having access to development fields and development workers for the purpose of development research and publications in these areas. All three, however, also commented that they were disappointed in the lack of time available or the lack of output in these areas. For University 2, the issue was the way faculty loads were structured. University 2 faculty who taught in the off-campus program did so as overload, not as part of the regular teaching load, so it left very little time for additional research. For UD 1, there was a lack of data at the level needed for quantitative research that came from the pilot sites. These types of data were of value to the staff working closely with the pilots because they provided communities with success stories, but this was not necessarily the type of data that could be used in a research study for a serious academic journal, as explained by the UD 1 Bridge:

> When we talk about doing research though, we have multiple end users in mind and our primary end user is the people we're trying to train and so they are looking for fairly global-level research. They don't care about control groups; they don't even ask those questions. They want to hear stories…. I would like to see us publish in sort of higher-brow, academic quality journals one day, but we're not there yet. The quality of our data isn't good enough.

Based on the original goals the universities had for the partnerships, there were other areas of value created, but they were specific to the individual university's goals for the partnership. For example, UD 1 felt the organizational infrastructure and practical training ground that the NGO 1 partnership provided was extremely valuable to testing out the microfinance model.

Consistent Value for the NGOs

Credibility. Two of the NGOs in the study felt that their staff training programs had greater credibility because a university was willing to work with them and offer an accredited degree for the work. The benefit of that credibility manifested itself in more professional interaction with the organization's donors and increased numbers of submitted and approved fundraising proposals. The other NGO, NGO 1, did not specifically cite credibility as a value the partnership created, however, a manifestation of credibility – an expanded donor base – did emerge as a value captured.

Potential replicability. Each of the three NGOs felt that partnering with a university provided them with a product that could be replicated in other parts of their organization in some format, thus replicability can be viewed as both a value created and a value captured. NGO 1 wanted a microfinance model that could be replicated in many NGO 1 communities and implemented by local churches or community leaders. This was the end product of the partnership regardless of the level of replicability that actually occurred. NGO 2 wanted the degree program to provide a framework for future training programs, specifically the PDP training initiative. This was the end product of the partnership and was considered a valuable asset for NGO 2, despite the ramifications the new training program would have on the university's perception of being replaced and on the strength of the agenda to keep the NGO and the university working together. Though not intentional in the design of the partnership, NGO 3 found that the model for training their RDP managers through UD 3 was a model that could either be replicated with UD 3 in other parts of Africa or a model that could be replicated with other NGOs in a variety of countries. The replication had not yet occurred and it will be interesting to see the impact that future replication with other universities will have on the UD 3 – NGO 3 relationship. They may, in fact, find themselves in the same situation as University 2 and NGO 2.

Organizational impact. The three NGOs in the study felt the training they received from the partnership programs positively impacted the performance of their staff in those content areas, thus having a positive impact on their organization's performance. Though mass training of NGO 1 hadn't occurred in the pilot locations or with staff sent to UD 1 training events, NGO 1 did receive feedback that the microfinance training was having a positive impact in the communities they serve. NGO 2 acknowledged that the training had better equipped their upper level management for fundraising and leadership skills but felt the graduate-level program could not adequately address the NGO 2-specific technical training needs of the majority of their staff, hence the creation of the PDP training program. NGO 3 commented most about the positive performance results of the staff that had been in the certificate program. Observations included improved performance in the strategic planning they did, reports they created and feedback from the colleagues around them. NGO 3 was also the only NGO to attempt to measure performance impact from the program.

The NGOs also created value separately from the partner organization based on their partnership's goals. For NGO 2, the cohort delivery model of the program actually created a small network of NGO 2 practitioners who were now skilled and connected to do more cross-organizational collaboration. NGO 3 found that the partnership improved its reputation as an NGO that invested in its staff, though they had not measured whether that impacted the number of employment applications or not.

Value Capture

When working in partnership, participants often overlook the indirect benefits that accrue to each organization because of the work they do together (Doz & Hamel, 1998). So much focus is on the direct benefit of the partnership that new opportunities or new ways to use resources created by the partnership are not considered a result of partnering. Thus the full scope of value is not always assessed. Though it is difficult to design for these sometimes unexpected benefits, assessing the partnership with a broader lens and actively looking for all the ways the project develops value helps an organization appreciate the full benefit they receive from a partnership.

Value capture can emerge through new opportunities that emerge for an organization, new avenues of working together because of the relationship or some other value as determined by the organizations. In the three partnerships studied, the organizations found a number of common scenarios where they captured value for their organizations because of the partnerships. These centered on new ways to collaborate with their partner, new opportunities with other organizations, and general lessons learned about partnering.

Jointly Captured Value

Renewing value. “As a collaboration evolves, the value of the benefits can erode…. Relationships are dynamic and subject to alteration due to changes in the external environment; partners’ needs and priorities can change….At such a juncture, the partners can either search for new activities or resources exchanges that might renew the partnership’s value or continue the relationship at a lower level” (Austin, 2000a, pg. 114-115). Two of the partnerships were able to renew their value to continue to work together in some form.

With the UD 1 – NGO 1 partnership, in addition to work at the pilot sites continuing, the positive experience in working together spawned a number of new initiatives such as the use of the microfinance model through the NGO 1 subsidiary community network, and the business rehabilitation services in post-tsunami Asia. Two participants from NGO 1 who have changed roles within the organization and are now directly responsible for both of these new initiatives stated that the reason they called upon UD 1 was because of their past experience in working with them and the positive outcome of the microfinance model created. It would seem that the historical relationship that began the partnership between UD 1 and NGO 1 is being reinforced as they continue to work together.

UD 3 and NGO 3’s renewed value came in the form of new degree offerings together in addition to the original certificate program, as well as NGO 3’s desire to expand the program to other parts of Africa and continue to send new staff to it.

Without a tangible project such as the case with University 2 and NGO 2, it is difficult to determine if the renewed value is due to a renewed strength in the agenda to work together or if it is a sentimental attempt to continue the working relationship with colleagues they have come to know and trust on some level.

Only time will tell if the renewed value the organizations perceive they will gain from continuing to work together actually does result in value for the organizations. Rarely do partnerships end abruptly, especially when they achieved some level of goal attainment and the organizations involved found the partnership of some value. Unless there is some significant conflict that brings the relationship to an end prematurely, the more likely end is to quietly drift apart as attention and resources are turned to other work.

Consistent Value for the Universities

New opportunities. The three universities felt the products they had developed, the microfinance model and the degree programs, were something that would be of interest to other organizations. UD 1 was hired to do consulting for another international NGO because of the credibility gained in the pilot projects as noted by the UD 1 Designer:

> Do I think that [this other NGO] has been more interested in talking to us and that we've had more credibility with them because we're actually doing pilots? There's no question that the answer is yes. So [NGO 1] because of their willingness to take risk on us has given us the chance to get our hands dirty but also to develop credibility with other people.

Additionally, developing an operational system to serve an NGO with an academic product (model or degree) was a value that was captured. As one University 2 Bridge stated:

> I think that…not only did we build capacity in them, but they built capacity in us and that is now enabling us to go out and build capacity in other [denominationally-affiliated] universities which is going have a spin off effect.

Lessons learned. Staff from all six organizations commented that working in these partnerships established their ability and confidence to partner with others. For some it was due to the lessons learned in partnering. For the academic institutions, it was the delivery systems established to serve these partnerships that created an avenue for working with other organizations. Each university expressed an interest in partnering with new NGOs so as not to be totally dependent on just one organization for their work.

Consistent Value for the NGOs

New Opportunities. The three NGOs also had new opportunities emerge because of the partnership. With the help of the UD 1 (who wrote to potential donors), NGO 1 was able to expand its donor base. NGO 2 was also able to increase its credibility in the eyes of donors, and many of the staff they sponsored in the program were better equipped to write proposals and were writing them more frequently. Additionally, other universities approached NGO 2 for similar capacity building partnerships, though in different subject areas than management. NGO 3's new opportunity came in the expansion of the original training program to other regions in Africa and potentially other continents through NGO 3's global network of offices.

Lessons learned. The study prompted a number of respondents, all part of the NGO design teams, to reflect on the lessons they had learned in partnering. Skills and lessons learned were often cited as intangibles benefit from the relationships, as those lessons could enrich future collaborative efforts and potentially increase their ability to develop value for the organization.

> I think the challenge is to maintain freshness and communication and you know I think I mentioned in the first interview that the longer I'm in this the more I realize that you can only have so many partnerships and really maintain them fresh. I know that the rage is to be partnering with you know with many people but the fact of the matter is it's hard to do that with more than a handful. I've got so many relationships at my level that I have to think about just the relationship within the organization let alone outside of the organization but it's hard to maintain all of those. (NGO 1 Designer)

One can surmise by this statement that the Designer felt the challenge of maintaining partnership relationships. This NGO 1 Designer was the same designer that had expressed concern over his changed role and the impact it would have on the partnership communication and the need for UD 1 to connect to multiple stakeholders within NGO 1. The statement also speaks to the relationship between involvement level and perception of partnership strength. While his involvement has decreased, the partnership is expanding to other projects, perhaps unbeknownst to him, thus it is remaining “fresh” because of new stakeholders involved.

> I think one of the clearest lessons for me would be to figure out what the end game is. Are we looking for this program to be built and to continue forever, are we looking for this to be a one-time show, or something in-between? Almost like when you hear talking about going into military operations so you know the exit strategy, so you have a good sense of at least what the exit strategy might look like. And maybe there is no exit strategy, but at least that’s known by everyone. So I think that’s one of the lessons learned. I think also to have a very clear understanding of whether the purpose of this is operational training or academic training, or a mix. But if it’s a mix, to know that for up front, whatever it is, to know it up front. I think we walked into this with the idea that we could get from it operational training. And maybe not all of us did, but some of us. And that may have been an internal communication issue here, and we were probably under the illusion or disillusion that an academic degree gave us operational training as opposed to foundation for it. So I guess that would be number two number three would be for everybody to count the cost, and not be blinded by what a great idea this is, and then figure out the cost later. (NGO 2 Designer)

This reflection identifies the importance of partnership boundaries. The statement comes from the perspective of NGO 2 which seemed to be keenly aware that some on the University 2 management team were unaware that the partnership did, in fact, have boundaries in the original understanding. Because of the departure of the original University 2 Bridge, those understandings may not have been communicated more broadly within the organization. Additionally, NGO 2 may have had unreasonable expectations that a graduate degree program could have the same technical impact that a training program would have. By its nature, graduate education requires a higher order of thinking and conceptualizing problems. Training programs are generally step-by-step guides to achieve an outcome, in this case, a number of operational outcomes within NGO 2. It is unclear how this misperception about what NGO 2 would receive came about.

> I think one thing that I've seen in this partnership is that… partnership at this level requires sometimes to just get involved in small things, you know, at the personal level. You know…we hear something has happened, we just send an SMS message or send a call, and it really enhances the partnership so much, because people become willing to do things. What I'm trying to say is that enhancing relationship at the personal level enhances the partnership. (NGO 3 Bridge)

I find this partnership reflection most interesting given how little personal relationships were mentioned in the interviews. I believed one of the key reasons the partnership between UD 3 and NGO 3 developed so smoothly is because of its transactional nature. Both organizations seemed to have clear expectations of what each would provide, what it would cost, and how many staff from NGO 3 would be involved. I believe the comment also speaks to the informal communication that goes on in partnerships that may not be considered when thinking about the formalities of partnering.

Assessing Value

Both the strategic scope and the value expectations of the partnership should determine how success is defined and measured. "A comprehensive scorecard reduces the danger of missing value creation opportunities by focusing too narrowly on a few benefits and ignoring, or forgetting others" (Doz & Hamel, 1998, pg. 84). It is easy for designers to think in terms of broad, general goals for the partnership without asking the question, "How will we know it when we reach this goal?" Without establishing metrics, assessing value becomes very subjective and dependent upon what is valuable to a particular participant at a particular point in time. For example, the faculty at the university partners valued the ability to incorporate their partner experiences into their curriculum; this may or may not be of high value to the university administrators because it does not directly benefit the work of administration.

A second problem with not determining success metrics at the start of the partnership is that the participants do not have a clear understanding of what they should to look for, i.e., what constitutes value capture opportunities, so that they can appreciate opportunities when they occur.

None of the partners in the relationships studied measured all of the benefits accrued to them. So while they may have valued a benefit they believed resulted from the partnership, this benefit wasn't necessarily how they measured partnership success. For example, an organization's improved ability to partner was considered a value created by the partnership, but an increase in partnership activity or new partner requests was not listed as a success measure. Less than half of the metrics used to measure the value of these relationships corresponded with what the participants listed as value created. None of the respondents listed any metrics for measuring the value their organizations captured for themselves because of the partnership.

Interestingly, for all the universities in these relationships, qualitative benefits, such as contribution to mission, university reputation and credibility for their organizations, were listed as value created. However, it was primarily quantitative measures that were used in assessing the partnership outcomes, indicators such as number of students, number of graduates, and revenue increases. The things they said they valued were not the things they measured to determine the partnership success. “It is all too easy for the management of one or more of the partners to lose sight of the value creation logic of the alliance and fall back on purely financial measures of performance” (Doz & Hamel, 1998, pg. 84). This may be simply due to the nature of measuring value – assessing value creation and value capture is not easy to do using qualitative measures, thus the universities fell back on reliable indicators of university success.

For example, UD 1 valued the relationships established in the NGO 1 communities and the organizational infrastructure they provided, yet they measured the number of people trained in the microfinance model and the distribution of their training materials. This may be a reflection of two possible situations. One is the reality that quantitative measures are known indicators for university success. The organizations may not have created new measures for the less obvious benefits the partnerships would provide. The second is the issue of the breadth of scope with which to view the partnership. The organizations may not have given sufficient thought to the value captured in the relationships, let alone what the indicators would be once it is achieved.

The NGOs were better at measuring the value they felt the partnership created but still did not cover all the areas they listed as value created. They were engaged in these partnerships for capacity building within their organizations, so the things they measured were impact and improved staff performance, the number of staff who were able to complete the programs, etc. NGO 3 recognized the need to develop a performance evaluation instrument to measure the impact of the program but had not yet done so at the time of the research.

While this study does not focus on what the partnership accomplishments were, it does focus on how the organizations worked together to create and capture value and how they knew when they had achieved it. Value creation and capture are not specific functions within a partnership but rather a process starting with the design of the relationship through relationship management to assessment of goal accomplishment. As seen in the partnership cases, there are opportunities to create value in every stage, and the steps taken or not taken at the various stages can impact the value created and the value captured. In each of the three partnerships the organizations were clear on the obvious goals related to what they wanted to accomplish, but they did not always clearly define who would be responsible for goal achievement, such as the replication issue in the UD 1 – NGO 1 case, or how long the organizations would work together towards the goals in the University 2 – NGO 2 case.

Answering two critical questions-- “What is it we want to get from this relationship?” and “How will we know it when we get it?”—are important for organizations involved in the creation of partnerships. While none of the partnerships planned for the value they would eventually capture, they each were able to capture some value for their organization separate from the relationship. The challenge is that at the start of a partnership, organizations may not be able to articulate all they desire from the relationship, let alone develop appropriate measures for the desired value. This perhaps needs to be an early phase in the relationship once the general concept of working together has formed. It would cause the organizations to engage in dialogue around what is valued and what the evidence will be for that value. It would also ensure clarity of goals for everyone involved at that point of the relationship and hopefully diminish the chance of unrealized expectations.

Relationship Management

Rosabeth Moss Kanter cites a study revealing “nearly half the time top management spends on the average joint venture goes into creating it. Another 23 percent goes into developing the plan, and only 8 percent into setting up management systems” (1989, pg. 167). The implementation phase is the most difficult phase of any alliance. During this phase leaders discover unrealistic goals and expectations, unequal organizational capacities, and personality conflicts across organizations. During this phase, participants must manage their relationships, making adjustments to both processes and expectations along the way. Themes related to relationship management emerged from the three cases in the following areas: the nature of the relationship between the organizations, changes they needed to make within their organization to accommodate the partnership, communication surrounding the partnership, the impact of involvement level of participants and perception of partnership strength, and relationship challenges.

Nature of the Relationship

A theme that emerges in this study is the difference in the nature of the relationships between the three partnership cases. UD 1 and NGO 1 enjoyed a “familial” relationship. The strength of the relational ties and the emotions the participants felt for each other were often mentioned during the interviews. Even if the work on the current project drifted, they had an assurance that these groups of people would always remain connected, as one NGO 1 Manager shared:

> Like siblings that grew up together and then moved to other parts of the world they’re always siblings and they’ll always will be and they’ll always connect when ever they meet and they can pick up on day one and probably partner again in another way five years from now.

What was different about this partnership than the other two? One difference was that this partnership was not focused on any accredited degree from University 1, but rather the focus was on the creation of a microfinance model for the NGO. There were no strict demands to adhere to academic standings placed on either group, and thus they were free to be flexible and focused on their goal of community development. A second key difference was the focus on the community impact the model would have. Both organizations were committed more to the change in the community than to what their organizations would gain from making that change happen.

The third key difference was the “interdependencies” between the organizations. This practice of sharing staff is often a challenge for non-profit organizations because they do not have staff to spare. It is most common in the joint venture literature on partnering to find a third “department” created between two organizations (Bergquist et al., 1995). However, in this relationship, the interdependency between the organizations was helpful to the partnership, as explained by the NGO 1 Designer:

> We actually have [NGO 1] people who have been seconded into [UD 1]. I think that, as I have reflected on partnership, this is a principal that I’ve come to learn that really makes partnerships work much better. You can have sort of, I don’t know what the word for it is, it’s almost implanting, maybe co-implanting or something where we implant [UD 1] with an actual person from [NGO 1] or vice versa. I think when you do that partnerships have much greater likelihood of succeeding, and I think this is a classic example.

These deep personal relationships between the original participants in this partnership were also a point of concern for the future of the relationship. When discussing the future, a number of respondents expressed concern over the possibility of not having these staff members to work with. Changes going on in both organizations may impact whether the original partnership members still have a role that will engage them in the partnership, and financial concerns at University 1 could result in layoffs of some of the UD 1 staff. While the nature of the partnership was slightly different, these concerns over changed partnership participants also occurred in the University 2 – NGO 2 partnership.

The University 2 and NGO 2 partnership was difficult to characterize because of its many phases and points of connection. It seemed that the partnership during Phases One and Two had few people interacting. The original partnership designer and bridge from University 2 had a close relationship to the NGO 2 team because of his past employment with NGO 2. As he decreased his involvement, other University 2 participants entered the relationship and it seemed to create distance between the organizations as the new participants brought a different perspective about what the contents of the training should be. There was no discussion of a close relationship in the interviews and the most significant tie was the denomination both organizations were under. At numerous points the NGO 2 participants commented that the partnership could have been with other universities also under that denomination but that it was University 2's willingness and the original partnership designer that caused NGO 2 to choose University 2. Both of these scenarios corroborate the early themes in this chapter regarding the impact of historical relationships in bringing and possibly keeping organizations together.

University 3 and NGO 3's partnership could be characterized as transactional in nature given the stress on functions and not feelings that emerged from each of the interviews. When discussing the partnership, the respondents focused on what the goals were, what each organization handled, and how it was handled. More so than the other two partnerships, there was detailed feedback given as to how functions in the partnership were handled, using words like "efficiently," "accurately" and "simplify" as indicators that they valued the smooth transactions between the two organizations in delivering the certificate program. Each cycle of students had an established contract between the two organizations. There was no indication that University 3 discounted its normal certificate price for NGO 3 students, so they made no financial concession. There was not much change required of University 3 in order to carry out the certificate program developed together. It was only in the second interviews in the discussion of the partnership's future that there was mention of the relationship between participants. Despite the different nature of the partnership, they were able to achieve their goal of developing quality community development workers to the point that NGO 3 wanted to expand the program to other regions. The nature of this relationship – transactional – seemed to mitigate any tensions that might have emerged, since the participants interviewed were very clear as to goals, functions and finances.

The nature of non-profit partnerships is different from that of the corporate sector. For the most part, their goal is to achieve some common good, and it is this goal that changes the emphasis they must place on relationship and relationship-building. This is because they do not have the business-sector partnership measures of profit margins, market expansion and competitive advantage as guiding factors but instead work to address complex social issues with limited resources. Therefore, one of the values that can be created in a non-profit partnership is not only what the organizations do together, but also the relationship they form in the process of the doing, i.e. what they become by the interaction.

Changing to Accommodate the Partnership

Another theme that emerged from the study was a correlation between the level of adjustment each organization had to make to accommodate the partner and each organization's expectations of the partnership. The more each organization had to change in order to serve the partnership, the higher the stakes and the harsher it was judged when it did not meet expectations. Part of this heightened judgment is based on the opportunity cost of maintaining the partnership; the perceived benefits and real benefits must outweigh the perceived costs for each organization.

In the UD 1 – NGO 1 partnership, there was minimal adjustment on the part of NGO 1 because they had established systems in place to serve seconded UD 1 staff in their regional communities. UD 1 had the burden of more significant change in the development of the microfinance model and more importantly in the delivery of it through these pilot projects. It required them to train local staff, establish a communication system and data collection system to monitor the progress and make changes as needed. While this hands-on work was a benefit for them, success of the model development rested with them. Had NGO 1 decided on a replication plan, it would have required more funds and effort on their part, thus increasing their stake in the partnership outcomes. In the discussion on replication, it was, in fact, UD 1 that was more disappointed that the replication had not occurred within NGO 1, further supporting this conclusion.

The University 2 – NGO 2 partnership required high levels of adjustment of both parties. University 2 already had an extension and affiliation office to serve off-campus programs; however, the department within which the original degree was located changed to a shared department structure, the curriculum was significantly revamped to address the needs of NGO 2 and a three-level governance structure was created to facilitate the partnership. In the early phases of the partnership, NGO 2 had to learn how to deal with all the academic requirements and paperwork of a degree, and when the original Bridge left for a brief time they had to handle those functions. They also had to arrange for the residencies of the program, a somewhat new function for them. It was the perception of high cost and high involvement that led one NGO 2 participant to state that "we no longer want to be involved in administering this program."

Later in the partnership, University 2 had to hire staff to handle some of the functions that NGO 2 no longer wanted to handle such as residency management and student advising, and they had to do so with far less financial resources than in the early phases of the partnership. This added stress to the relationship. They did this with the expectation that NGO 2 would continue to send its staff at the same level (and revenue stream) as previous phases. When this did not occur, University 2 participants expressed feelings of disappointment and abandonment from the relationship, as one participant demonstrated: "So, when [University 2] took the gears and they did it more cost effectively, [NGO 2] kind of stepped back and there was no financial support really from [NGO 2]…it's just kind of like you know I'm taking my toys and I'm going away, kind of an attitude."

The changes University 3 had to make to satisfy the goals of the partnership with NGO 3 were relatively small. They modified an existing certificate program to better accommodate the content needs of NGO workers. They allowed NGO 3 to contribute to the curriculum modifications and add a course or two that covered NGO 3's Christian framework for community development. When the original partnership designer and bridge stepped back from daily administration of the program, NGO 3 was unhappy with the replacement's responsiveness and requested the original designer be put back as the partnership point person.

NGO 3 was already proficient in organizing and running residencies as they offer a large number of training events in their organization, although the academic requirements were new to them. Additional staff was hired to run the residencies and handle the academic paperwork and interfacing with University 3's student services departments. The minimal adjustment that each organization had to make also meant a consistent critique of the partnership over time. Neither organization felt it had invested a disproportionate stake in the relationship that would warrant elevated expectations by either organization.

The details that emerge in this theme are difficult to anticipate. The organizations involved could not have known at the beginning of the relationship all the adjustments their organizations would need to make to accommodate the partnership. The management of a partnership relationship is an iterative process. When participants perceive there is an imbalance in investment and return on investment in the relationship, tension will erupt, the issue will be discussed and equilibrium will be sought, based on the original strategic logic of the partnership design. If balance is not restored, the partners may decide that they can't give any more to the partnership or aren't willing to receive any less from it and end the relationship. This restoration of equilibrium occurs regularly in large and small ways in managing the partnership relationship. This assessment of whether adjusting for the partnership is worth the investment underscores the necessity of having a broad view of the value created and captured by the partnership, so that investment imbalances along the way do not become the only measure of whether the organizations should continue to work together or not.

Communication

Though the partnership literature holds communication as a key ingredient to a successful partnership, the literature does not delineate between types of communication – formal or informal, scheduled or impromptu. In these three partnership cases, formal and scheduled communication did not emerge as a requirement in the success of the relationships; however, email was especially critical for staying connected on tasks.

UD 1 and NGO 1 communicated at multiple levels but held no formal meetings. Communication was on an as-needed basis and meetings were held when and if participants were going to be in the same location around the world at one time. Email communication was the mode of choice given the time zone differences of all the participants. UD 1 staff working in the NGO 1 communities communicated and participated regularly in meetings with NGO 1 staff, the community and participants in the pilot microfinance programs. Formal communication was in the form of monthly reports to UD 1, but not necessarily to senior leadership at NGO 1.

University 2 and NGO 2 had the most formal system of communication in the multi-level governance structure, each intending to meet at least twice annually and to engage in phone and email interaction as needed. Lack of communication emerged as a problem in the interviews both within each organization and between them, as one NGO 2 manager shared: "One of the histories that has brought this partnership is it's either a lack of communication or poor communication and not always the same, I mean sometimes we have had plenty of poor communication." The lack of communication emerged as a concern for the future of the relationship.

University 3 and NGO 3 also interacted frequently by phone and email, usually around the times of the residencies for the certificate program or at other times of need. Meetings were held once a year, also usually around the times of the residency. Due to their close proximity of offices, it was easier for participants to get together when a meeting was needed.

One gap in the partnership literature is the delineation of forms of communication within partnerships. With telephone, email and instant messaging now readily available globally, ways of communicating have grown in recent years. These new forms, and the informality that accompanies them, however, do not seem to be adequately represented in the literature. Partnerships need different forms of communication at different levels. While regular, strategic and face-to-face interaction was not necessary in these partnerships, some form of communication was necessary, because relationship building is critical in non-profit partnerships. Where the relationships were strongest, effective use of informal communication seemed to also be the strongest, and the partnerships were developing new work to do together in the future.

Impact of Involvement on Perception of Partnership Strength

The level of involvement stakeholders had in the partnership impacted their perception of partnership strength. In both the UD 1 – NGO 1 partnership and the University 2 – NGO 2 partnership, when a stakeholders' direct involvement in the partnership project changed, their perception about the partnership's strength also changed. The designers of the UD 1 – NGO 1 relationship each had decreased communication and were pulled into other ventures for their organizations. At the point of the second interviews, both believed that the partnership had maintained or decreased in strength, while all other partnership managers believed it had increased in strength. One partnership designer stated that he thought the partnership hadn't been functioning during the 18 month period between interviews but now that he was re-engaged, the partnership was renewed. In fact, the partnership had been functioning and doing quite well in accomplishing its goals. It was because this individual's involvement and role in the organization had changed that he was unaware of the partnership activity.

A similar theme emerges with the University 2 – NGO 2 partnership. As key stakeholders' roles changed, their perceptions of the value and strength of the partnership changed. This was not the case in the UD 3 – NGO 3 partnership, as all the original stakeholders remained equally, if not more, involved in the project during the eighteen months between interviews.

This finding has implications for the communication that occurs both within an organization and between organizations. The greater the need for a stakeholders' support of the partnership, because of budget allocation or other strategic decisions, the more important it is to find a way to keep them engaged in the relationship. Increased involvement of key stakeholders may lead to a more positive perception of the partnership and result in greater support from that key stakeholder. The results of that support would vary by organization and the key stakeholder's role within the organization.

The question for a non-profit organization is what form of engagement is required. If budgetary constraints do not allow for frequent face-to-face meetings with all the key stakeholders in a partnership, what is the plan to keep those that do not have a central role in partnership management engaged enough to continue to support it and work towards its continuation? As one NGO 2 participant noted, there was not enough information that flowed between the organizations and within the organizations, and what did flow was not always helpful. Therefore, to keep key stakeholders engaged and supportive, regular progress reports on the partnership and participation in discussions about partnership issues are helpful.

Relationship Challenges

Most organizational alliances experience points of tension as two organizations learn how to work with each other and begin to manage the expectations of their partner. In the three partnership cases, each had separate challenges specific to that particular relationship, as well as two cross-case relationship themes that emerged in all three cases; unmet expectations and organizational changes. Each partnership's handling of the challenges they encountered was aligned with the depth and nature of the relationship.

Partnership-Specific Challenges

UD 1 and NGO 1 experienced misunderstandings around two staff that wanted to transfer from NGO 1 to UD 1. The occurrences happened innocently enough with no recruiting on the part of UD 1, but the end result was the same – the loss of two staff from NGO 1. Both matters were handled with a few clarifying conversations between the leaders of the organizations. While the UD 1 Designer believed this was a tension point with the NGO 1 Designer, the latter saw it as a positive development:

> The good thing that helped is the fact that some of their [UD 1] staff had previously worked with [NGO 1], so [the UD 1 Bridges], they're very aware what [NGO 1] desires so its not only a strategic fit, but there's a relational fit in terms of staffing.

Given the frequency with which the words "relationships" and "trust" were mentioned throughout the interviews, it appears that these personal ties aided the organizations through the periods of tension.

University 2 and NGO 2 seemed to have greater difficulty in sharing their concerns and disappointments across the partnership. There were a number of issues that were implied, if not directly stated, in the interviews, and the feedback from multiple participants indicated that the issues had not been freely discussed within the organizations. The solution seemed to be to withdraw rather than to engage around the issues, as one University 2 participant expressed: “I don’t want to say to there’s conflict but just kind of passive withdrawal.” The lack of discussion of relationship issues may have resulted from a number of factors. This partnership had a three-tiered governance structure. At the top level were senior leaders from both organizations who were significantly removed from the daily operations of the partnership. The issues discussed at that level were more strategic and future-oriented. The greatest amount of tension seemed to be experienced at the management level where the changed level of involvement of both organizations was felt. There was no single point person from either organization at this level that could address the overall operation of the partnership and its associated tension points. In addition, the original University 2 Bridge that had the strong relational tie to NGO 2 was no longer involved in the relationship, so NGO 2 may not have felt comfortable sharing concerns with less familiar members of the University 2 team. Another possibility in this partnership was that what NGO 2 may have perceived as a natural transition and withdrawal from the relationship, leading to a need to no longer raise operational tension issues, University 2 may have perceived as a problem in the relationship.

The only area of tension cited in the UD 3 – NGO 3 partnership was the designation of a new UD 3 director that NGO 3 found to be unresponsive to their needs. It did not seem to cause a significant problem, but NGO 3 did make the request of UD 3 that the original liaison be appointed to continue this work, and that request was granted. The transactional nature of the relationship and the clear expectations of both organizations as to role and functions may have mitigated further areas of tension.

Each of the tension areas cited are manifestations of a breakdown in one or more of the factors needed for successful partnerships. Communication challenges led to some of the issues faced in each of the partnerships. Relationship breakdown or loss of original stakeholder relationships led to others. None of the tension areas seemed to emerge due to intentional malice on the part of any participant but rather were the unintended consequence of key factors overlooked. It would appear that the partnership lessons learned by NGO 1's designer are true, i.e. the difficulty of managing multiple relationships both within and outside the organization increases the potential for relationship challenges to occur, not by intent but mainly because of work overload.

Unmet Expectations

The two significant issues of unmet expectations that occurred in the partnerships were in the areas of replication and publications.

Replication. At the point of the second interviews, UD 1 and NGO 1 had not achieved the goal of replicating the microfinance model throughout multiple NGO 1 communities. There were two primary reasons for this. One was the change occurring within NGO 1 and the departure of the primary champion for replicating the model. The other was the lack of funds for replication. Interestingly, replication would have been a direct benefit to NGO 1, not UD 1. UD 1 knew that it wanted a limited number of pilots because they could not sustain more than three. So replication was essentially a goal for NGO 1's benefit, yet UD 1 took on that goal as their own and experienced angst when it did not occur. Again, though replication was a goal present in the agreement between the organizations, the agreement was not mentioned in observing this unmet goal.

The relationship between the organizations continued but in the form of new projects together. Time will tell whether the goal of replicating the model ever occurs within NGO 1, but its creation and pilot results make it a viable option for other NGOs to use and for UD 1 to offer through their training events.

Publications. While it was not a primary goal, all three universities had hoped that more faculty would engage in research and publishing with their NGO counterparts. At the point of the second interviews, there were relatively few who were able to conduct research or publish. There were numerous reasons for this. For UD 1, there was not enough data of the quality needed for a serious research study to produce academic quality research reports. For University 2 the issue was the faculty load structure for those who taught in the overseas programs; all faculty taught in the program as overload leaving little time for additional work such as conducting research or publishing. The lack of publishing, though a disappointment for the universities, did not seem to have any negative effect on the relationships with the NGO partners.

Organizational Change

Many partnerships face the challenge of change within the organization of one partner or both. The change can have a serious impact on partnerships as participant members or organizational priorities change. This occurred in all three partnerships in this study. UD 1 and NGO 1 both encountered internal change that impacted the partnership. University 1's new leadership and financial difficulties forced the university to re-examine its commitment to the non-formal education work of UD 1. The result was an increase in the amount of time the UD 1 Designer had to spend focusing on internal issues, as well as a potential impact on the employment status of one of the UD 1 participants.

NGO 1 also experienced change in the relocation of its headquarters, a move to a decentralized decision making structure and increased involvement of donor offices in the strategic direction and project selection of the organization. These issues took the attention of the NGO 1 Designer away from the partnership with UD 1 and brought many new regional leaders into the relationship from which UD 1 needed to attain buy-in to the microfinance model and its replication in their regions.

University 2 experienced significant change when the original designer and bridge for the partnership with NGO 2 withdrew his involvement to pursue further education. While there were different perceptions as to why changes were made internally at University 2, it was clear that the changes had a significant impact on the NGO 2 participants who enjoyed a strong working relationship with that stakeholder.

NGO 2 also experienced new leadership and a broadened focus on capacity building within the organization. Though it was always part of the original planning, there was increased encouragement to pursue the professional development training program so that the multitudes of staff not qualified for graduate education could be equipped with NGO 2-specific tools and knowledge for better performance. This change had a significant impact on the managers at University 2, as the withdrawal from the graduate program was perceived as abandonment rather than what it was – renewed organizational priorities.

University 3 also changed its partnership liaison person in the relationship with NGO 3 to free up the original Designer and Bridge for more teaching and publishing and remove some of the administrative burden. NGO 3 was unhappy with the responsiveness of the new person and requested the original liaison resume that role. New administrative leadership was also brought in to support her in that role.

All three partnerships survived the changes to an extent, though with UD 1 – NGO 1 and University 2 – NGO 2, the organizational changes did have long term negative effects on the partnerships.. Changes in the external environment force organizations to change in order to survive (Kanter, 1997; Kotter, 1996).

For UD 1 – NGO 1, the changes occurring in NGO 1 required the organizations to alter their expectation of replication as goal of the partnership and put the burden for replication on NGO 1. Financial challenges at UD 1 are still occurring and the full impact of these remains to be seen. The UD 1 leadership is taking steps to obtain external funding for the department so it can continue its work.

The changes that occurred within University 2 – NGO 2 also made it necessary for the organizations to adjust. University 2's loss of the original partnership Designer and Bridge from the partnership team required that they appoint new leadership. What may have been helpful to the transition would have been for NGO 2 to help in appointing the new University 2 liaison so that the strong relationship previously shared with the past Bridge would continue. NGO 2's focus on broader staff training programs such as PDP was clear from the inception of the partnership, so better communication of that reality to University 2 may have helped address what felt to University 2 like an unexpected change.

Given the importance of relationship building within the partnerships, organizational changes present one of the greatest threats to the continuation of these relationships. As leadership changes within an organization, there is potential for new leaders not to share the vision for the partnership or want to change it. Partnership managers must engage new leaders in the partnership and educate them as to the value it provides the organization to ensure leadership support and enthusiasm. Participant involvement changes are inevitable as original participants disengage and new participants join the initiative. The loss of original partners has a significant impact on these relationship-driven partnerships. There is so much time, emotion and history of what has and hasn't worked that gets lost when one of the original stakeholders is gone. It can leave the remaining participants with less enthusiasm for continuing the relationship, not to mention fewer staff to maintain it. This reality underscores the importance of having multiple stakeholders involved in the design and implementation of the relationships, so that they do not rest solely with one or two individuals.

One of the distinct challenges that emerged from the partnerships studied is that NGOs often have a federated organizational structure, with many regional leaders and shared governance and decision making. With NGO 1, the larger leadership structure of the organization decided to move towards decentralization. This meant the decision making surrounding the partnership was decentralized to the regions, and this required UD 1 to engage more people in the partnership, which left the UD 1 Designer feeling unsure as to whether they were having an impact on the work of the organization.

The Partnership Journey: A Synthesis

The purpose of this study is to understand how partnerships between universities and NGOs create value for the organizations involved. Starting from Doz and Hamel's value creation construct, the study tries to understand the process of creating and capturing the value that occurs throughout the lifespan of a non-profit partnership, from design, to management, to on-going assessment.

As I started this research, my view of partnering was quite limited and very much focused on two dimensions – value captured and value created. I imagined there was a simple road map to reach these organizational "destinations." What I have found on the other side of this research is that the quest for creating and capturing value from partnerships is a journey, the sum of every mile the organizations travel together. The reality is that there are numerous events along the way that create value and numerous points along the way where the opportunity to create it can be lost.

The uniqueness of non-profit organization partnerships is that they are often mission driven, and this mission heightens a commitment to creating something with significant social impact. It also means that passionate people will be involved at all stages, with the work viewed not just as a set of tasks to be conducted but as the fulfillment of mission for their organizations. This research extends the concept of value into the non-profit sector and seeks to enhance the ways non-profit organization partnerships can help organizations achieve their missions. A number of themes emerged from the study that are helpful in understanding how to gain value in these kinds of relationships

Partnership Design Themes: Destination vs. Journey Orientation

Partner Selection

There are a number of factors that create value in the design and planning phases of partnerships. Most organizations do not select an organization to partner with and then create a project or goal, but rather have a need or goal they would like to accomplish and then find an organization that will help them achieve it in some complementary manner (Bergquist et al., 1995; Doz & Hamel, 1998). In this study, the NGOs had communities they wanted to impact and they found university partners that could create programs to build capacity in their staff for this impact. The universities were willing partners as they each had departments focused on the areas of the NGOs needs. Historical relationships between the organizations were important. Each of the organizations in this study conceived the idea of forming a partnership after encountering their future partner in a different context.

Honest Self Appraisal

Those involved in partnership design must assess and express the capacity of their organizations and the changing conditions of their industries (Kanter, 1997). This requires transparency and humility not often found between partners who are virtual strangers to one other and who have a need the partnership would satisfy. The historical relationships between the organizations in this study helped in this area in that the organizations were familiar with each other and the quality of each other's work from the start. This familiarity served as a catalyst to start working together. Too often organizational representatives enter partnership discussions and present only the best attributes of their organization, never touching upon weaknesses or organizational idiosyncrasies. Revealing only a partial image of one's organization can elevate expectations to an unreasonable level early in the relationship. Later, when organizational flaws are revealed, conflict erupts. Leaders, together with key stakeholders, must take a realistic look at their capacity to engage in the partnership relationship.

Design of the Relationship

I have observed two approaches to the design of organizational partnerships. One is the idea that launching it is the most important step and all other details will fall into place once it has been designed and begun. In a sense, this is a very destination-oriented approach to conceptualizing a partnership. It focuses most on what the goals are that the organizations want to achieve, i.e. the end destination. The other approach is the overly planned approach, which tries to anticipate all the issues at the start of the relationship and does not allow room for adjustments as needed. Neither approach is sufficient.

I propose a third approach, what could be called a “journey approach,” which is a balance of both. Clear goals and expectations must be spelled out at the start, including possible exit points when those goals are not met. Clear designation of each organization’s tasks and other areas of responsibility must be articulated. Lastly, a process and timeline for formal communication, progress checks, and adjustments are needed. The more clearly articulated the expectations, the less likely that not meeting them will cause tension in the relationship.

Walk With the Same Gait

Organizational partnerships founded on shared vision and common goals have a greater chance at succeeding since the focus is on something greater than the individual organizations. They have a common desire to build something of significance (Austin, 2000a; Bergquist et al., 1995; Kanter, 1989; Karasoff, 1998; Mattessich et al., 2001). The importance of shared vision for social impact cannot be underestimated. This is a distinctiveness of non-profit sector partnerships. The organizations exist for social impact, and that is a compelling motivator. As Meg Wheatley states “There is no power greater than a community discovering what it cares about” (2002). The potential for being able to increase that impact is a significant motivation for non-profit organizations to start and stay in partnership relationships. While the topic of value led the respondents in this study to discuss tangible, measurable benefits of partnering, there were also many testimonies of NGO staff and communities impacted by these partnerships, and the partnering organizations felt these were so critical that they helped them to press on even through challenging circumstances.

Though the different cultures between academic institutions and NGOs emerged as a challenge in this study, the shared philosophical commitments to community building and social impact played a strong role in sustaining the partnerships. This finding has leadership implications for partnership designers in the non-profit arena. The myriad of details that participants can get caught up with can derail a partnership. It is critical for partnership designers and bridges to keep a bigger picture vision and shared values in front of the participants at all times. In essence, these things become the back drop against which the value of the partnership can be assessed.

The Benefits of Good Relationships

Having strong relationships between the participants created value for the partnerships in a number of ways. The historical relationships propelled the organizations forward in their partnerships because of established trust and credibility. These relationships also facilitated communication between the organizations in the implementation and relationship management phases of the partnerships. When tensions arose, these relationships created natural ways of addressing the challenges directly and instilled faith in the organizations that their partners were not acting against them. Good relationships resulted in the desire to find new work to do together and continue the value creation cycle.

The nature of a relationship is important in that it allows the organizations to have the same understanding of how they will work together. A familial relationship is only important if that is how the two organizations expect to operate. A transactional relationship is equally appropriate if the strategic design of the relationship expects interaction between the organizations to be a set of transactions rather than the co-creation of some broader impact or purpose.

Partnership Management Themes: We Make the Road by Walking

Adjustment

Once the partnerships have started, adjustments are inevitably needed when reality meets expectations (Doz & Hamel, 1998). Organizations must adjust the way they work in order to effectively collaborate with another. It is the level of adjustment that impacts their perception of value from a partnership. If a partnership is designed with the expectation that a university will need to make minimal adjustment to its curriculum and academic procedures in order to accommodate the NGO, it may enter the relationship with great enthusiasm, believing it is gaining an economy of scale in its existing operation. If, after the partnership begins, it finds that it must invest significant time and money to adjust its programs and delivery to accommodate the partnership, then what it will expect from the relationship in return will also increase. This process of adjusting expectations is not thoroughly addressed in the partnership literature, but this research shows that it is a significant sticking point in partnership relationships.

The implications of this finding are significant. The organizations involved in a partnership cannot anticipate at the beginning of a relationship all the adjustments their organizations will need to make to accommodate the partnership. The management of the relationship must be an iterative process. When participants perceive there is an imbalance in investment and return on investment in the relationship, tensions will undoubtedly erupt. In order to restore equilibrium, the issue will need to be discussed and balance sought, based on the original strategic logic of the partnership design. If this balance is not restored, the partners may decide that they can't give any more to the partnership or aren't willing to receive any less from it, and they will end the relationship. In a successful partnership, the restoration of equilibrium occurs regularly in large and small ways in the management of the partnership.

This decision regarding whether to invest in the necessary adjustments for the partnership or not also underscores the necessity of having a broad view of the value created and captured by the partnership. Having a broad perspective enables the partners to accept that there may be investment imbalances along the way, but these imbalances are not the only basis for determining whether the organizations should continue to work together.

Communication

The partnership literature stresses the importance of open and frequent communication both within an organization and between organizations (Bergquist et al., 1995; Kanter, 1997; Karasoff, 1998; Mattessich et al., 2001; Spekman et al., 2000). The importance of multi-directional formal and informal communication emerged in this study. While some of the partnerships were successful without frequent formal meetings, a great deal of informal communication occurred using email. The literature regarding communication does not delve into the informal communication that needs to occur in partnerships. The importance of informal communication, as evidenced in this study, is that it not only helps the partnership function, but it also deepens the relationships between organizations which, in turn leads to a desire to work together on new initiatives. Informal communication creates a value creation reinforcing loop.

Involvement

This study uncovered a connection between participants' direct involvement and their perception of partnership strength. While the partnership literature does not discuss the impact of various stakeholders' engagement or disengagement, the leadership and change literature clearly demonstrates the importance of keeping key stakeholders involved in changes occurring within an organization (Kotter, 1996). This study demonstrates that this same concept applies to organizational partnerships.

The emergence of this connection has implications for the communication that occurs both within an organization and between organizations. The greater the need for a stakeholders' support of the partnership, for reasons such as budget allocation or other strategic decisions, the more important it is to find a way to keep them engaged in the relationship. Increased involvement of key stakeholders may lead to a more positive perception of the partnership and result in greater support by that key stakeholder. The results of such support vary by organization and the key stakeholder's role within the organization.

An important question for a non-profit organization is what form of engagement is required. If budgetary constraints do not allow for frequent face-to-face meetings, what is the plan to keep key stakeholders engaged enough to continue to support the partnership and work towards its continuation? One NGO 2 participant noted that there was not enough information that flowed between the organizations and within the organizations and what did flow was not always helpful. Therefore, to keep key stakeholders engaged and supportive, it is important to include them both in communication and decision making in the relationship.

Change

Change, both within an organization and in its external environment, can have a damaging effect on organizational relationships (Doz & Hamel, 1998; Spekman et al., 2000). Given the importance of relationship building within non-profit partnerships, organizational changes present one of the greatest threats to the continuation of these relationships. As leadership changes within an organization, there is potential for new leaders not to share the vision for the partnership or to want to change it. Partnership managers must engage new leaders in the partnership and educate them about the value it provides the organization in order to ensure leadership support and enthusiasm.

Participant involvement changes are inevitable as original participants disengage and new participants join the initiative. The loss of original participants can have a significant impact in relationship-driven partnerships. There is so much time, emotion and history about what has and hasn't worked in the past that can be lost when one of the original stakeholders is gone. It can leave the remaining participants with less enthusiasm for continuing the relationship and reduce the number of staff available to perform the work. This finding points to the importance of having multiple stakeholders involved in the design and implementation of the relationships so that the success of the partnership does not rest solely with one or two individuals.

Tension

Each of the tension areas cited in this study were manifestations of a breakdown in one or more of the factors needed for successful partnerships. Communication challenges led to some of the tensions experienced in each of the partnerships. Relationship breakdown or loss of original stakeholder relationships led to other tensions. None of the tension areas was the result of intentional malice on the part of any participant but rather the unintended consequence of a key partnership factor overlooked.

One tactic for addressing tension that did not emerge in the literature or the interviews in this study was the idea of role playing. The Native American mentor of a colleague once told him that if he wanted to understand the position of another, he needed to "walk a moon in that person's moccasins." While this is similar to the American expression of "walking a mile in someone else's shoes", it is different in that the turn of a moon is a longer period of time, time that is needed to understand the perspective of another. Though these partnership teams may not have had the "turn of a moon" to spend understanding each other's perspectives regarding existing tensions, it may have been a helpful metaphor for dealing with them. As was the case with one partnership in this study, the more an organization can take on the goals and needs of its partner, the more sensitive it will be to managing the relationship in a way that helps that partner achieve its goals. This may be a critical distinction in the non-profit sector. Mission is the driver, impact is the motive, and therefore relationships are critical to achieving the goals together. The more each participant can see the journey through the lens of their partner, the more likely they are to work together to avoid potential pitfalls. Even when these pitfalls are not avoidable, the deeper relationships that emerge when one "walks a moon in another person's moccasins" will result in a trust between the organizations that the other is working towards the good of both, not only serving their own interests.

Value Assessment Themes: Where Did the Journey Take Us and How Do We Know We've Arrived?

Value Creation and Capture

"The viability of a partnership depends fundamentally on its ability to create added value for both participants. The more clearly one can define the value expected from a collaboration, the better one can configure the partnership to produce it" (Austin, 2000a, pg. 89). What new opportunities can be taken advantage of? What current threats can be mitigated? Value creation and capture are not specific functions within a partnership but rather a process starting with the design of the relationship through relationship management to assessment of goal accomplishment. Doz & Hamel (1998) refer to this process as assessing the strategic scope of the relationship. That scope will be the lens through which to view what value has come from the relationship.

In the partnership cases in this study, there were opportunities to create value in every stage, and the steps taken or not taken at the various stages impacted the value created and the value captured. The organizations were clear on the obvious goals that they wanted to accomplish but at times did not define who would be responsible for goal achievement. While none of the partnerships planned for the value they would eventually capture, they each were able to capture some value for their organization separate from the relationship. One challenge comes from the fact that at the start of a partnership, organizations may not even recognize all they desire from the relationship, let alone develop appropriate measures to assess it. The discussion about potential outcomes for their own organization (value capture) may need to occur early in the relationship, once the general concept of working together has formed. The benefit of such envisioning engages the organizations in dialogue around what is valued and what evidence for that value might be. It will also be likely to substantially increase the clarity of goals for everyone involved at that point of the relationship and hopefully diminish the chance of unrealized expectations.

Assessment

Organizations need to develop value indicators that are suited to the value expectations and strategic scope of the partnership. In these three partnerships, qualitative goals were set, but quantitative measures were used to assess them. As the relationship grows, each partner will expect the other to care that the partnership is benefiting both organizations and at similar levels. With both value creation and value capture goals, there should be a clear method of measuring the goals laid out. As James Austin notes in *Collaboration Challenge*, “Every relationship involves an exchange of value among the participants. The magnitude, form, source, and distribution of that value are at the heart of relational dynamics. The perceived worth of an alliance is the ultimate determinant of first, whether it will be created and second, whether it will be sustained. It is thus important that partners be able to assess carefully the potential and actual value of a collaborative activity” (2000a, pg. 87).

Too Narrow an Assessment Lens

Management thinkers such as Drucker (1990) and Kanter (1997) contend that partnerships in the non-profit sector are more strategic and lasting when value creation needs are addressed. While this is evident both in the literature and in the partnership cases in this study, there is the danger of allowing the assessment pendulum to swing too far in the opposite direction and solely focus on the obvious measures of value creation and capture that are prevalent in corporate partnerships. The uniqueness of the social impact mission of most non-profit partnerships warrants that they use a more holistic lens to assess their value. Value measures need to encompass not only tangible benefits and outcomes but also the bigger mission and transformation of people that occurs in these relational journeys. The partners in this study did create tangible direct and indirect financial and operational value for their organizations. But the act of partnering, the journey itself, also impacted them in ways that cannot be reduced to simple value measurements. Since the focus of the non-profit sector is positive social impact, a transformation often occurs in the individuals who endeavor together towards it. As Meg Wheatley expresses: “We can’t behave as fully human if we believe we are separate” (2002, pg. 115).

Each of the themes that emerged from this research provides insights for partnership designers and managers to better understand and experience their partnerships, so that they can increase the ways in which they create and capture value from the relationships. The growing complexity of the world only means that organizations will need to act more interdependently to survive and thrive. Partnerships are an exciting, though at times exhausting, vehicle through which to gain that interdependency. With proper attention to the process of partnering, organizations can benefit from them in many ways.

Recommendations for Future Work

Implications of the Study for Designers, Bridges and Managers of Partnerships

Partnerships create a rich and complex tapestry of relationships within and between organizations. It is not possible to plan for every contingency that might occur as the external environment, organization structures or financial commitments change. Leading such initiatives is a challenge. There are a number of lessons, however, that come from the literature and the findings of this study that may aid those engaging in non-profit organizational partnerships.

Designing the Partnership: Recommendations for Partnership Designers and Bridges

Those involved in the design phase of a partnership have the significant responsibility of trying to see into the future to know how the relationship will enhance the organizations' abilities to achieve their own goals. Using the participant labels from this study, Designers and Bridges need to:

1. Know what they are in it for. Designers need to be very clear of what the strategic intention is for engaging in the partnership and hold tight to that intention so it does not get lost as the relationship and the planning evolve.
2. Be flexible. While it is important to hold tight to the original vision, it is also important to be open to new and unexpected opportunities that develop from or because of the relationship.
3. Accurately and honestly assess their own organization's abilities. While collaborating with another organization can be excited and the goal can tempt an organization to engage in a partnership, it is critical that partnership designers do not commit to or expect more than their organization's staff can deliver. Designers need to be sure that what they promise is what they can deliver.
4. Be realistic. When establishing partnership goals, designers need to be realistic about which ones will likely be accomplished and prioritize so that those that are crucial "must haves" receive primary project focus, while those that are "nice but not necessary" are given secondary attention.

5. Establish a rubric for measuring goals. For each goal, an initial rubric should be established that indicates when the goal has been achieved. It is also important to celebrate milestones along the way.
6. Demonstrate concern for both individual and shared goals. In order for the partnership to work, both organizations must gain from the relationship. It is important to care about whether one's partner is achieving their goals, as this will impact one's own organization's ability to achieve its goals.
7. Know the exit points. As Covey (1990) advises, designers need to start with the end in mind. They need to ask the questions: How long is the partnership designed for? What are the exit points if the partnership has not achieved its initial goals? Having these end points established, or at least discussed early, alleviates expectations and takes the emotional burden off managers to make difficult termination decisions once the project has begun.

Value Creation, Capture and Assessment: Recommendations for Partnership Bridges and Managers

The implementation and management phases of organizational partnerships are the most challenging, as members of an organization that were not part of the relationship design may now be involved in implementing the partnership to achieve the goals that the Designers and Bridges established. The following recommendations will help those involved in implementing the partnership to achieve its goals:

1. Utilize multi-directional communication. Vertical communication from the Bridge to the Designer and the Bridge to the Managers can keep everyone within an organization focused on the partnership goals.

2. Be flexible and open to changes. Changes will likely occur in both the external and internal environments. When the original vision for the partnership does not match the realities the organizations encounter, the partnership plans will need to be adjusted or the partnership terminated.
3. Review the metrics to be used in assessing the value created and captured from the partnership with all those involved in the day-to-day operations. Adjust those measures based on project realities.
4. Demonstrate concern for both individual and shared goals. Again, it is important to recognize that the relationship needs to be nurtured in order for both organizations to gain from it.
5. Celebrate goal achievement. When the various partnership milestones are achieved, celebrate those accomplishments together.
6. Appreciate what your partners contribute to the initiative. Regardless of the strategic scope in which the partnership was developed, both partners provide something in the relationship that helps the organizations achieve their goals.

Relationship Management: Recommendations for the Partnership Bridges and Managers

The following recommendations will help those involved in managing the partnership to achieve its goals:

1. Communicate. Both vertically and horizontally, internally and externally, communication is essential so that expectations are managed, small issues do not become overblown and relationships can be maintained and deepened.
2. Evaluate the performance of staff involved in the partnership by including the partners in the assessment.

3. Address tensions head-on. When a relationship issue does emerge, address it early and with sensitivity so that it does not impede the work of the partnership. Partnerships often face significant problems because of relationship breakdown.
4. Develop personal relationships through genuine care and concern. Deepening relationships within internal and external teams increases the likelihood that the partnership will achieve its goals and develop new initiatives together. It also increases the enjoyment participants feel in the work of the partnership.

Suggestions for Further Research

Through this research, a number of areas for future research emerged:

1. Given the importance of partnership designers and bridges, a study focused on the characteristics of successful partnership designers and those who continue to manage partnerships would provide useful information for organizations in selecting their alliance teams.
2. Timing seems to be an essential issue in the formation of non-profit partnerships. Because non-profit organizations are generally understaffed and under-resourced, they have a need to partner with other organizations to create a greater impact in society but are also limited in the number and size of the partnerships in which they can engage due to the high maintenance that most partnerships require. Simply put, there are not usually enough staff to find, design and implement new initiatives if those initiatives aren't tightly tied to the existing work of the non-profit.
3. The majority of literature on partnerships examines successful relationships. Additional research on failed partnerships would also provide excellent lessons for collaborating organizations.

4. Since the lessons of partnering were perceived as creating significant value for each organization, a future study could examine these same organizations engaged in other partnerships to see if lessons learned were employed in the new partnerships.
5. In addition to observing these organizations in new partnerships with other organizations, it would be interesting to follow an organization through multiple rounds of partnering with the same organization, as discussed in the "Renewing value" section of this chapter. Research questions could include: How strong are the second generation partnerships involving the same organizations but engaged in new projects together? Does the continuation of the relationship occur for sentimental reasons or to address a strongly perceived need of both organizations?
6. Finally, additional research could examine how partnership participants are evaluated. Does the partner have any say in the performance evaluation of the other organization's staff and does that impact the way in which organizations work together? What are the negative consequences for staff who create problems in the partnership relationship? Does this impact their standing within their own organization?

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APPENDICES

Appendix A: Partnership Comparison Process

	NGO 1 – UD 1 at University 1	NGO 2 – University 2	NGO 3 – UD 3 at University 3	NGO 3 – University 4
Size	Medium / Small	Large / Small	Large / Large	Medium / Small
Partnership duration	5 years (1998)	13 years and going (1990)	6 years and going (1997)	8 years (1995)
Contract?	Yes	Yes	Yes	No
Formalized relationship	Yes	Yes	Yes	Yes
Affiliation	Christian / Christian	Christian / Christian	Christian / Non-Christian	Christian / Christian
# of People involved in administration	4/6	5/7	4 / 3	1 / 1
Concerns for study:	UD 1 has product NGO 1 wants, NGO 1 doesn't have competency and looks to UD 1 in microfinance.	Good – have recently experienced tensions of administration shift from NGO 2 to University 2 – want to re-examine for future	Good one to study Contract, very clear partnership for development training program, partnership has future	Informal relationship, not many people involved in administration, very much based on personality
Financial arrangement	Unique exchange of funds	Exchange of funds	Exchange of funds – fees to University 3 $9,000 total)	Exchange of funds
Partnership Purpose	Capacity Building	Capacity Building	Capacity Building	Capacity Building
Selected for study?	Yes	Yes	Yes	No

Partnership Selection Parameters:

1. Relationship between NGO and University
2. Have formal contract
3. Have worked together 3+ years
4. Partner for capacity building of the NGO

Started with five possible partnerships, one partnership declined to be considered

Appendix B: Consent Form

Research on Value creation and Maintenance in Organizational Partnerships

Study overview: This study will look at how both organizations designed and managed the relationship between ___ and ___ so that both benefited from the relationship over time. The study will conduct electronically recorded interviews with participants directly involved in creating and/or managing the partnership program. Three to five people involved in the partnership arrangement from each organization will be interviewed. All partnership-related documentation will be reviewed. Research will be collected at two points in the relationship. Once in autumn of 2003 and again in autumn of 2004.

I agree to participate in this study which I understand to be a part of a dissertation to be submitted in partial fulfillment of the degree of Doctor of Philosophy at Antioch University.

I understand if I have any additional questions regarding my rights as a research participant, I can contact the investigator, Beth Birmingham at bbirming@eastern.edu or her advisor, Dr. Elizabeth Holloway, Professor of Psychology, Ph.D. in Leadership and Change, Antioch University, eholloway@phd.antioch.edu, 805-898-0114.

I understand there was a minimal risk that I will share confidential information during the electronically recorded research interview. This risk will be minimized by

1. my review of the transcript checking for inaccuracy or misunderstandings,
2. the confidential handling of any interview information by the data analysis team
3. by the removal of my name prior to publishing the final report
4. by the destruction of all electronic recording and transcripts at the completion of the project.

I am aware that my opinions may be utilized for research purposes but that I will not be identified by name in the final written document.

I understand the research findings may benefit future organizations engaged in organizational partnerships by increasing their longevity and reducing their potential for failure.

I understand my participation was voluntary and I may discontinue participation at any time. I have the right to express my concerns and complaints to the University Committee on Research Involving Human Subjects at Antioch University.

Participant's Signature ____

Date Signed ____

Investigator ____